

# **MANAGEMENT FROM ISLAMIC PERSPECTIVE**

**KHALIQ AHMAD**



**INTERNATIONAL ISLAMIC UNIVERSITY MALAYSIA**

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## FOREWORD

Islam is not simply rituals; it is rather beyond it, encompassing a complete code of human life. The teachings of Islamic way of life seek to protect people from harmful effects and mischievous intentions and serves as guide for benefiting through the effective use of Almighty's resources, therefore, provides a better avenue of management.

There is no aspect of life which is left out without guidance by the living example of the Prophet Muhammad (s.a.w). Hence the blessings and peace be upon him and his family members, companions and all those who follow his footsteps.

Man being social, needs organizations for the achievement of certain goals and success is basically hidden in achieving genuine life long objectives (mission). Being a Muslim, we believe; our mission is well defined by the Creator of this universe which is for guidance and betterment of the humanity in this world and Hereafter.

Keeping the above perspective in mind, the author, Associate Professor Dr. Khaliq Ahmad comes out with an alternative approach to management. This book entitled, "Management from Islamic Perspective" discusses basic and general principles of management—planning, organizing, leading, controlling and other contemporary management issues- for the benefit of business administration students and those who have some interest of practicing management that is laden with Islamic values.

This is in consonance with the IIUM mission of Islamisation and integration of knowledge including the management knowledge. I hope and pray to Allah (s.w.t) that this will go a long way to serve our students and general readers alike.

I congratulate the author, Associate Professor Dr. Khaliq Ahmad, Department of Business Administration, Kulliyah of Economics and Management Sciences; on having completed this book and presenting its



materials for paving the way to more future academic research from the Islamic perspective. I am confident that this book will help to fill the void in research and knowledge of management issues in the Islam.

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## PREFACE

There is a new reawakening and a determination to make tomorrow better than yesterday. However, the zeal, commitment and efforts related to it have not been perfectly or completely translated into practical results that everyone can see in society. The practical achievements fall far short of the potential goal envisioned by a successful management. Success in building and managing institutions, the backbone of real and sustained change, has been limited in several communities. These communities manage their affairs according to their respective norms and culture. Muslim communities exist worldwide. The Islamic perspective of management, as an emerging discipline based on Muslim cultural mould, may be a catalyst to change and acculturate Muslims worldwide by offering an alternative approach to management.

There is no one fixed system of Islamic management. As with many similar social phenomenon, Islam defines the broad principles and leaves it to the people of each place and era to define the system most suited to their circumstances. The system must therefore change with changes of time and space. There is no utopia. Any human system will have strengths and weaknesses. The aim should be to decrease the weaknesses and increase the strengths. The best system are those based on empirical experience and that are open to changes if empirical evidence shows that they are not working well. The empirical experience must be within the moral context of Islam for it to bear fruits. Islamic context is revealed and supersedes human reasoning.

This course is a 14-week program that includes lectures, problem based-learning activities, each covering management skills or issues. Besides class lecture, each PBL workshop requires a 1/2 hour(s) session distributed as follows: pre-workshop preparation, facilitator briefing, group exercise for brainstorming and a plenary discussion as the concluding session. Students of this subject have to prepare by reading/writing the



material before the day of their class session. Start by studying the problem-based case outline of the session. Then, read the background and text. Scan through the discussion topics. On the appointed day, the group leader makes a presentation followed by a question and answer session.

For problem based-learning purpose, groups made up of 4-5 students each are formed. The discussion covers the background reading, analysis of a real problem case and brainstorming, and group discussion followed by questions at the end. Relate everything you read or discuss to your practical experience. In some cases, the group has to undertake an exercise or a case study analysis. Each discussion group presents a summary of its discussion to the plenary session. It is recommended that members of each group supplement the material given with readings in books and other sources on the subject. Write down your all discussions, observations and conclusions.

This text is basically designed to meet the needs of graduating students who are enrolled for the MIP course, (Management from the Islamic Perspective). A great deal of efforts have been put together to make this edition available. The book contains twelve chapters and is divided in three parts for better presentation and comprehension. Part 1 contains an introduction to management and includes studies carried out so far on the subject of Islamic perspectives and environment. Part 2 basically discusses management process which includes mostly the basic functions of management and leadership from the Islamic perspective. Part 3 deliberates on issues that are confronted by contemporary management today. It discusses issues such as ethics, quality and resolution of conflicts from an Islamic perspective.

Lastly, I acknowledge the research grant I received from the Research Centre, International Islamic University Malaysia for this project. Last but not least, Allah's help has been always there to see this publication's light of day and I am grateful to Him.



## NOTES FROM AUTHOR

The book, *Management from Islamic Perspective* (MIP), contain Islamic terms and heavily rely upon *shariah* based connotations/notes. Therefore, a detailed description of *Shariah* is provided in the following paragraphs for the purpose of easy comprehension. The terms and descriptions given in the text may apply as follows.

The word *Shariah* refers to the totality of Allah's commands that regulates the life of every Muslim in all aspects. As every Muslim is responsible for his actions, *Shariah* gives true prospective of his rights and duties. It is mainly concerned with the ideology and faith, social principles, law regarding man's relations with each other, the rules and conditions regarding the lawful and unlawful and other practical daily matters.

Primarily, the source of *Shariah* originates from *al-Quran*, which is the direct commandment of Allah. The second source is *al-Sunnah*. In addition to *al-Quran* and *al-Sunnah*, there is the provision or authority given to man in order to interpret and expand Divine commandment by means of consensus of opinion of *ulama* or analogical deductions. *Al-Ijma* and *al-Qiyas* which are asserted as the third and the fourth sources of the *Shariah* respectively derived from this provision.

One of the most important principles of the *Shariah* is that of *maslahah* or general welfare such as to secure the welfare of humanity physically, morally and spiritually in this world and hereafter. The principle is expressively singled out by *al-Quran* and it is with regard to the purpose of Prophethood of Muhammad (saw) as Allah (swt) says: "*We sent thee not, but as a mercy for all creatures*" (*al-Anbiya*: 107). In another



verse, Allah (swt) says: "*O mankind! there hath come to you direction from your Lord and a healing for the (diseases) in your hearts and for those who believe, a guidance and a mercy.*" (Yunus: 57).

In tandem with these principles, the objectives of *Shariah* are prevalent on the benefits of the individual and that of the community. Simultaneously it facilitates improvement and perfection of human life.

As a matter of fact, there are a few primary objectives of *Shariah* which are referred to as "*Maqasid As-Shariah*." These objectives are:

- 1) **Preservation of the religion** e.g. in order to preserve the religion, Islam has legalised jihad and it may be an inward struggle (directed against evil in oneself) or an outward one (to fight injustice and to protect the innocent).
- 2) **Preservation of life** e.g. to preserve life, Islam prohibits causing harm to oneself and encourages Muslim to be keen to do whatever is beneficial to his health and to take all preventive measures for example, to guard against illness.
- 3) **Preservation of intellect** e.g. in order to ensure the intellectual well being of the mankind and advancement of civilisation, Islam encourages pursuit of knowledge and gives high priority to education.
- 4) **Preservation of progeny** e.g. Islam protects man's honour and prevents lineage confusion by encouraging marriage and advocating family institution. This is to ensure procreation of generation within the *Shariah* boundary and at the same time prohibits adultery or illicit sex (*zina*), considering them as one of the most grievous crimes.
- 5) **Preservation of property** e.g. to enable Muslims to earn a living, Islam encourages work especially trading activities and prohibits stealing, deception, gambling, bribery and all illicit gains as they pose a threat to the protection of the public and private property.



These five objectives pursued by *Shariah* can be observed through the *ahkaam* (rulings) upon which *fiqh* (*Islamic Jurisprudence*) revolve around. The rulings are categorized as follows:

- *Wajib* (obligatory) – an obligatory action is the one that shall be performed.
- *Mustahab* (recommended) – a recommended action is the one that should be performed.
- *Mubah* (permissible) - a permissible action is the one that is neither encouraged nor discouraged.
- *Makruh* (disliked) - a disliked action is something which is abominable and should be avoided but not in strictly prohibitory terms.
- *Haram* (unlawful) – an unlawful action is the one that shall not be performed and is strictly prohibited.

The distinctions between these five categories are in whether the deeds are rewarded or not rewarded; punished or not punished.

- i) Adherence to the obligatory deed is rewarded; but that of the disliked is not punished.
- ii) Non adherence to the obligatory deed is punished, but the unlawful and disliked is rewarded.
- iii) The adherence and non-adherence to the permissible is neither rewarded nor punished.
- iv) The adherence to the recommended deed is rewarded; but non-adherence is not punished.

For better understanding of the *fiqh*, there is the need and the necessity of knowing *usul al-fiqh* (methodology of *fiqh*) and *al-qawaid al-*



*fiqhiyyah* (Islamic legal maxims).

Methodology of *fiqh* (*Usul al-fiqh*) consists of four sources namely *al-Quran*, *al-Sunnah* as well as *al-Ijma* and *qiyas*. However the word *qiyas* is not universally accepted by all experts, which means “comparing with or judging by comparing with a thing.” It is a process of deduction by which the laws of a text is derived. *Qiyas* is actually analogy from *al-Quran*, *al-Sunnah* and *al-Ijma*. It can be carried out only in a *Shariah* governed state when a solution to problem cannot be found through *al-Quran*, *al-Sunnah* and *al-Ijma*.

*Usul al-fiqh* is concerned with the methodology of legal reasoning and the rules of interpretation, the meaning and implication of commands and prohibitions, and so forth.

It is a theoretical abstraction – usually in the form of short statement that is expressive of the objectives and goals of the *Shariah*. The science of legal maxims is different from the science of usual *al-fiqh* in that the maxims are based on the *fiqh* itself. A maxim is defined as “a general rule which applies to all of its related particulars.” A legal maxim is reflective of a consolidated reading of the *fiqh*. Thus the following technical terms has wide usage in the book and their brief descriptions are given as below.

### 1. Ummah Dawat

Person who is not subjected to shariah and Islamic laws (Non-Muslim).

### 2. Ummah Ijabat

Person who abides by shariah and voluntarily accepted rulings of Islamic laws. He/she is **Shariah compliant** (Muslim).

### 3. *Shariah* compliance

Conformity to *Shariah*.



#### **4. *Fiqh* Council in Malaysia**

The body that is accountable to issue decree (*fatwa*) on Islamic matters on the basis of shariah advices from the scholars.

#### **5. *Shariah* Advisory Committee (*Shura*)**

The body that is accountable to review, advice and endorse the management of the organisation on *Shariah* matters. It is also the reference centre on Islamic management issues of an organisation.

#### **6. *Shariah* Compliance Team**

A unit comprising two or more *Shariah* qualified persons who are accountable to monitor and ensure *Shariah* is observed and continuously practised in the management of the organisation according to the *Shariah* Advisory Committee's advice.

#### **7. *Shariah* Enforcement Officer**

A *Shariah* qualified person who is accountable to monitor and ensure *Shariah* is observed and continuously practised in the management of the organisation according to the *Shariah* Advisory Committee's advice.

#### **8. *Halal***

Things or actions which are permitted or lawful in Islam, otherwise it will be non-*Halal*.

#### **9. *Haram***

Things which are prohibited by shariah and its avoidance is compulsory.

#### **10. *Al-Quran***

The very word of Allah revealed unto the Prophet Muhammad (saw) in Arabic. It contains the knowledge imparted by Allah (swt) and the guidance for men which is righteously at all times.



### **11. *Al-Hadith***

Prophetic tradition – A report about the Prophet Muhammad's (saw) saying, doing or reaction (approving or disapproving of it). The authenticity of report (*al-Hadith*) depends on the reliability of the narrator(s).

### **12. *Al-Sunnah***

Practices by the Prophet Muhammad (saw) and actions carried out by Prophets followers which were endorsed by him.

### **13. *Al-Ijma'***

The consensus of opinions of the companions of the Prophet Muhammad (saw) after his death and the agreement reached on the decisions taken by the learned jurists on various Islamic matters.

### **14. *Fatwa***

A decree or legal opinion given by the *Fiqh* Council.

### **15. *Muasharat***

A society that comprising of members who lives their life based on shariah compliance.

### **16. *Husin al Khulq***

Demonstration of human behaviour based on ideals of Muslims' morals.

### **17. *Allah's Vicegerent***

Allah (swt) has defined Adam's sons and daughters (man/women) as vicegerent of Allah on earth.



## TRANSLITERATION GUIDE

Arabic Letter	English Alphabets
ا	a
إي - آ	aa
ب	b
ت	t
ث	th
ج	j
ح	h
خ	kh
د	d
ذ	dh
ر	r
ز	z
س	s
ش	sh
ص	s
ض	d/ z
ط	t/
ظ	dh
ع/ع	' / a
غ/غ	gh
ف	f
ق	q
ك	k
ل	l
م	m
ن	n
هـ / ة	h or t (when followed by another Arabic word)
و	w
و (as vowel)	oo
ي / يـ	y
ي (as vowel)	ee
ء	, (Omitted in initial position)



َ	<b>Fathah</b>	<b>a</b>
ِ	<b>Kasrah</b>	<b>i</b>
ُ	<b>Dammah</b>	<b>u</b>
ّ	<b>Shaddah</b>	<b>Double letter</b>
◌	<b>Sukoon</b>	<b>Absence of Vowel</b>



# GLOSSARY OF ISLAMIC TERMS

<b>Allah</b> : Almighty, God	<b>Mas'uliyah</b> : Responsibility, accountability
<b>'adl</b> : Justice, Fairness	<b>Muhajireen</b> : Immigrants from Mecca
<b>'aql</b> : Human Intellect	<b>Majlis Fatwa</b> : Malaysian Fiqh Council
<b>al-haqq</b> : Truth	<b>-Kebangsaan</b>
<b>Adab</b> : Etiquettes of living	<b>Nafs</b> : Human soul
<b>Akhirah</b> : Hereafter, Life after death	<b>Nafs Ammarah</b> (Negative human motivation, id)
<b>Barakah</b> : Blessings, Allah's Mercy	<b>Nafs Lawwamah</b> (Positive human motivation, ego)
<b>Akhlaaq</b> : Behavior, Morally upright	<b>Nafs Mutmainnah</b> (Human Super-ego)
<b>A'maal</b> : Deeds, Actions, Practices	<b>Nabi</b> : Prophet
<b>'amal salih</b> (virtuous deed)	<b>Nadhir</b> : Warner
<b>Amanah</b> : Trusteeship	<b>Nasihat</b> : Advice
<b>Ayah()</b> : Verses from al-Qur'an	<b>Qiyamat</b> : Day of Judgment
<b>al-Ansar</b> : People of Medina	<b>Qiyas</b> : Analogy in Islamic maxims
<b>Baab</b> : Door, Entrance	<b>Qibla</b> : Direction for prayer
<b>Bashir</b> : Announcer	<b>Rahmah</b> : Compassion
<b>'Birr'</b> : Kindness and benefaction	<b>Rasul</b> : Envoy, Messenger
<b>Deen</b> : Religion	<b>Rizq</b> : Man's sustenance
<b>Duniawi</b> : Worldly	<b>(R.A.)</b> : Allah be pleased with him/her
<b>Dawah</b> : Inviting towards religion	<b>Ram'i</b> : Seven rounds between Mountain
<b>'Dhikr'</b> : Remembrance of Allah	<b>Safa and Marwah</b> during Hajj
<b>Falah</b> : Success over here and hereafter	<b>'Riza'</b> : Delight
<b>'Fawz</b> : Success	<b>Shura</b> : Mutual consultation
<b>Hikmah</b> : Wisdom, Insight	<b>Sabr</b> : Patience
<b>Hijra</b> : Migration from Mecca to Medina	<b>Seerah</b> : Prophet's life history
<b>Hidayah</b> : Guidance	<b>Shariah</b> : Islamic law
<b>Halaal</b> : Permissible	<b>Sunnah</b> : Sayings and actions of the Prophet
<b>Haram</b> : Prohibited	<b>Shaitan</b> : Satan
<b>Hurriyyah</b> : Free Will	<b>Sadaqah</b> : Charity
<b>Ikhlaas</b> : Sincerity	<b>(S.A.W)</b> : Peace Be Upon Him (pbuh)
<b>'Ibadah</b> : Prayer, Rituals, Servitude to God	<b>(SWT)</b> : Praiseworthy God, Almighty
<b>Ijma</b> : All Muslim scholars' consensus	<b>Sayyidina</b> : Honourable, Sir
<b>'Iman</b> : Faith in One God	<b>Tawakul</b> : Reliance on Allah
<b>Ihsan</b> : Excellence, benevolence	<b>Tarjih madhhabi</b> : Preference over other sects
<b>Inshaallah</b> : God willing, It does not mean escapism	<b>Taubat</b> : Asking forgiveness
<b>Ijtihad</b> : Innovation, creative ideas	<b>Taslim</b> : Submission
<b>Istiqamah</b> : Steadfastness	<b>Ta'wun</b> : Co-operation
<b>Jannat and Jahannam</b> : Paradise and the Hell	<b>Tawheed</b> : Oneness of God, Belief in one God
<b>Jam'iah</b> : Group, Congregation	<b>'Tawheed-Rububiyyah'</b> (Unity of Lordship)
<b>Jizyah</b> : Tax which Non-Muslims pay	<b>'Tawheed Uluhiyyah'</b> (Unity of Worship)
<b>Khalifah</b> : Islamic leader, vicegerent	<b>'Tawheed Asma' wa Sifat'</b> (Unity of the Names and Attributes of Allah)
<b>Karam</b> : Generosity	<b>Taqwa</b> : Piety, Being mindful of Allah's displeasure
<b>Kufr / Kafir</b> : Disbelieves / Disbelievers	<b>Thawab</b> : Reward in the hereafter
<b>Kasb</b> : Endeavor	<b>Ulma</b> : Plural of 'alim (scholars)
<b>Khutbah</b> : Sermon	<b>Ummah</b> : Muslim nations
<b>Khuluq</b> : Ethics/ Morals	<b>Wafa</b> : Fulfillment
<b>Khamr</b> : Liquor, Intoxicants	<b>Zakat</b> : Tithe which Muslims pay
<b>Muasharat</b> : Islamic living	<b>Zuhul-Hijjah</b> : Last month of Islamic Calendar
<b>Muamalat</b> : Transaction according to Islam	<b>'Zuhd'</b> : Not being enslaved by one's desires and wants
<b>Mufti</b> : Expert (Scholar) of Fiqh	
<b>Madhhab</b> : Sect's among Muslims	
<b>Mastahah</b> : Matter of public interest	







## ***PART 1***

# **MANAGEMENT AND THE ENVIRONMENT**







## Chapter 1

# ISLAMIC PERSPECTIVE AND SYNTHESIS OF MANAGEMENT

These topics and sub-topics have been indicated in the beginning of each chapter for a quick reference and easy access by the readers. Beside this chapter, other chapters begin with an introduction and end with summary followed by relevant questions and references. This chapter discusses the following topics.

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## INTRODUCTION

The governing of an ideal Muslim society should be based on the Islamic worldview. To bear responsibility not only for the welfare of the Muslims, but also for that of the non-Muslims is an intrinsic part of the Islamic World View. This is so, as the concept of *Ummah* includes *Ummah Ijabat* and *Ummah Dawat*. Indeed, the *amanah* of Allah (SWT) encompasses the whole universe; and man's responsibility must accord therewith. It is true that the contemporary *Ummah* is in many respects left behind and less developed by comparison to other nations. In respect of possessing the truth, the ideological statement that is most conducive to religious, ethical, and material prosperity, the *Ummah* should however be second to none. The contribution of Islam to the *Ummah* is for it alone to possess the vision requisite for the felicity of humankind, and for the history to be, as Allah (SWT) has willed it to be.

Thus, in regards to the synthesis of management from an Islamic perspective, the title of this chapter, and the vision of management is well defined as an integral part of the Ummatic vision. In a Muslim society, whose governing should be based on the Islamic worldview, the Muslim managers being part of it should in their daily be governed by the same.

Hence, a Muslim intellectual is called upon to confront the problems of mismanagement in the utilization of resources, as experienced by the world today: poverty, lack of team spirit, lack of professionalism, etcetera, and to contend for their solution following the teaching of Islam. The execution of the planning of the *Ummah* today should be the only viable resolution for the human race on earth, and whose cause may be somewhat lost between conquests of the imperialists and the colonialists' and the resulting consequences.

By nature, human minds committed to Islam would not necessarily reach the same solutions, or choose the same course of actions in their interpretation of what Islam is and its relevance to the present and future challenges and the survival of the *Ummah*. A diversity of that nature is, however, not entirely undesirable, rather highly welcome. Islam stands for unity in diversity. Scores of diverse critical analyses by individual scholars committed to Islam and trained in various disciplines in order to enrich the



consciousness of its own direction and goals of the *Ummah* are much desired. The *Ummah* cannot claim to have recaptured its dynamism of the first centuries of the Hijrah, until Islam itself again becomes for all Muslims a caldron constantly bursting with new ideas in which Allah's patterns may be objectified in nature; an infinite mine of ethical and creative options in which the Divine Values and the Commandments may be concretized and instantiated in history. Thus, historically speaking, the understanding of the Islamic worldview comprises of the following; belief in Allah, belief in the Prophets and belief in the life Hereafter, part of it is included as *falah fiddunya wal akhirah* as part of the divine manifestation in His Revelations.

### **ALLAH: THE BELIEF IN ONE CREATOR-SUSTAINER GOD**

To bear witness of the Oneness of God requires a total conviction to the belief by an individual and requires both submission and commitment. There are several implications of this belief on the life of a Muslim. Firstly, the Muslim should seek sufficient knowledge to reach this conviction. Al Faruqi (1976, p. 522) noted that "man is not a convinced Muslim unless he has reasoned out his religion, know it in person, and become personally convinced of its truth and validity." Secondly, based on free will, the Muslim should exercise freedom of choice in reaching this conviction. Thirdly, a Muslim should find motivation merely through his knowledge of Allah, not through a desire for power or drive for money, as "both (are) notorious for their vulnerability to the vicissitudes of frustration and to a much prolonged examination, particularly at the end of the individual's life" (Clark, 1963, p. 130). This motivation through the knowledge of Allah (SWT) creates a sense of a state of freedom from materialistic values and in which the Muslim is in total control over his or her desires, needs, wants and wishes. Finally, the conviction of Allah (SWT) as the one Sustainer and acceptance of His divine assistance provide the Muslim with a source of security that assures a Muslim that he is never left alone without guidance and assistance.

The Qur'an states that "And if my servants ask you of Me, tell them then to pray to Me, to believe in Me. That is the way to wisdom" (Qur'an, 2:186). Allah also says: "seek further assistance by patience and



prayer” (Qur’an, 2:45). The latter overtaxes none but the irreverent and the proud. “Prayer is a force for genuine assistance for those who know that they will someday confront their Lord and that to Him they shall finally return” (Qur’an, 2:45-46). Allah (SWT) assures that “an individual who reaches this degree of conviction and sincerely submits to Him alone and asks for His guidance “has reason neither to fear nor to grieve” (Qur’an, 2:38). Therefore, “such men fear neither poverty nor humiliation in this world, as religious certitude is the greatest wealth and the greatest glory” (Al Faruqi, 1976, p. 527). The psychological consequences of this belief on man cannot be overlooked. They are based on knowledge reached through logic, reason, and inner experience, and not on illusion.

Two expected behaviours are the outcome of this belief. Firstly, this belief demands a cognitive evaluation of one’s motives and goals, therefore creating an inner urge for perfection. To motivate the individual to overcome predicted difficulties, the Qur’an has honoured the self that seeks correction: “And I do call to witness the self-reproaching spirit” (Qur’an, 75:2). Thus, in his or her striving for righteousness, virtue and piety, the Muslim will achieve self-actualization.

Therefore, applied on today’s organization, the motivation of a workforce must hinge on higher order needs of self-actualization, rather than merely on materialism, being the vision of contemporary management. Secondly, the exercise of freedom of choice and free will can fulfill a Muslim’s need for self-esteem. Research findings make the claim that “at highest level of the need hierarchy a reversal occurs in the satisfaction-importance relationship.” (Bedian, 1986, p. 438). Thus, increased satisfaction of self-esteem and self-actualization will lead to an increase rather than a decrease in motivation. Therefore, this system process ensures the sustainability of an organization in the event of an economic and other forms of crises often encountered by management.

### **PROPHET: THE SOURCE OF HIDAYAH-GUIDANCE FOR MANKIND**

A Prophet is charged with the communication of the messages by Allah to the people, and conveyed through an angel. In the Qur’anic terminology, a



Prophet is differently referred to, as Nabi (Prophet), Rasul (Envoy), Bashir (Announcer), Nadhir (Warner), etcetera. The Holy Qur'an has expressively mentioned certain Prophets such as Adam, Enoch, Baud, Musa, Salih, Hud, Isa, and Mohammad. It is also mentioned of Prophets, whom Allah successively sent one after the other, which serves as evidence that previous directions provided by Allah had been abrogated and replaced by new ones, and some former directives have been tacitly or expressively retained. Certain Prophets had the Divine mission of educating members of a single tribe or clan, or of a single race or region; others had messages to be conveyed to the entire humanity and for all times. As many, as twenty five Prophets are mentioned in the Qur'an, but Muhammad (SAW) was the last.

The duty of a messenger of Allah is to be a vehicle of the Divine Commandments. His order should be truthfully conveyed to the people. He should enjoin upon persons worshipping God the Almighty, while refraining from committing sins. A messenger should be engaged in proclaiming the truth and do so fearlessly, as well as leading a life of righteousness. He should remain addressed to disseminate Allah's commandments and inviting persons to get to the right path.

A messenger should carry the right vision, intuitive knowledge and fore-sightedness. They are men of virtues. They satisfy their daily needs in the manners as others do; they too may fall sick, and may need rest. But they never do what might be described as evil acts.

Commitment to this part of the Muslim belief may have some implications on managerial behavior in an organization. Firstly, as this belief demands righteousness in behaviour, it creates an inner urge for being morally upright. It also inspires and permits a need for an organizational code of moral conduct. Secondly, the exercise of leading by example can fulfill an essential requirement among Muslim managers of today.

### **AKHIRAH: THE CONCEPT OF THE LIFE HEREAFTER**

One of the fundamentals of Islam is to believe in the life of the Hereafter (*Akhirah*). *Akhirah* is the day of *Qiyamat*, or the Day of Judgement. The day implies the rising of the dead into a new life (Resurrection), to be granted the returns by Allah in accordance to their performance during their lifetime



in this world. On the day of *Akhirah*, Allah will be the judge over the deeds of mankind. The deeds of all persons will be weighed and a judgment pronounced. Good deeds will bring the entering of Heaven to the doer; evil doers will be confined in Hell (Rastogi, 1986).

Further, “those who disbelieve say: The Hour will never come unto us. Say: Nay, by my Lord, but it is coming unto you surely (He is) the knower of the unseen. Not an atom’s weight or less than that or greater, escape Him in the heavens or in the earth, but it is in a clear record, that He may reward those who believe and do good works. For them are pardon and a rich provision. But those who strive against our revelations, challenging Us, theirs will be a painful doom of wrath” (Qur’an, 34:3-5).

Nobody except Allah knows the time of the Doomsday. A Hadith has it that Jibril, upon the questioning by Prophet Muhammad (SAW) about the day, denied any knowledge of the time fixed. However, a few Hadith may hold some answers.

Doomsday will be followed by a Resurrection. All beings will come back to life, a life that has been predetermined. Pious believers will enter the Heaven; sinful believers, non-Muslims, that is *Kafirs* and worshippers of more than one God will be confined to Hell. On the special request and intercession by the Prophets and saints, wicked believers will eventually be permitted to be freed from the fires of Hell, and enter Heaven (Rastogi, 1986).

*Jannat* (Heaven or paradise) as a reward, and *Jahannam* (Hell) as a punishment are but graphic terms for the understanding of a state of matters beyond all human comprehension and notions. According to the Holy Qur’an (32:17), “No soul knoweth what is kept hidden from them - of joy, as a reward for what they used to do.” A tradition of the Prophet attributed this statement says that: “in Paradise there are things the like of which no eye has ever seen, nor ear ever heard, nor human heart ever thought of.”

The Qur’an and Hadith describe the joys of Paradise and the horrors of Hell in the context of our surroundings in this world. Paradise has beautiful carpets, young and beautiful maidens, precious stones, fruits, wines, and everything one may desire. In Hell, a host of torturing items, fire, snakes, boiling water and others of similar nature is waiting. These forms of



descriptions were perhaps meant for common consumption, for the simple understanding of mankind.

The concept of *Akhirah* has also its implications on the management in an organization. It may make managers think and plan for success in a more farsighted manner. It may cultivate a sense of a strategic mind set in the individual. In striving for survival and long-term gestation period of returns on investment in human resource and other assets, Muslim managers will eventually achieve success infinitely. Secondly, the exercise of strategic thinking can be instrumental in fulfilling Muslim managers' need for strategic alliances and global networking, which would be mutually beneficial for the organisation and mankind.

### COMPREHENSIVENESS OF ISLAM AND THE SHARIAH

Islam is a comprehensive way of life that enables the Muslim to believe in *Tawheed*, perform not only the ritual *Ibadat*, but also practice correct Islamic living, (*muasharat*), conduct transactions according to Islam (*muamalat*), and demonstrate good *Akhlaq* (Islamic ethics and moral). *Shariah* in Islam is a code of conduct for the Muslims. It has far reaching implications on human conduct and that of the society at large, that is on all actions taken by Muslims in their mundane life, and in regards to the issue of this book also on the conduct of management in organizations.

### THE EVOLUTION OF SHARIAH

It is interesting and meaningful to understand the evolution of the Shariah. It is indeed a complex matter and the following is only a brief summary. During the time of the Prophet (SAW), who was the final source of consultation, whenever differences of opinions were abound. During the time of the caliphate of Abu Bakar and Umar, the political leaders were both knowledgeable and pious. At that time, Islam was still confined to an area that was within distance of Medina. However, as Islam expanded, several things took place:

- a) Many Companions left Medina and Mecca. They settled in all areas of the Muslim world.



- b) It was logistically impossible for every issue to be dealt with centrally. Therefore, a process of political decentralization and of judicial decentralization occurred.
- c) It may not be appropriate to name specific rulers in this regard; there, however, started a trend where the rulers appeared less and less knowledgeable as well as less pious. This situation led to a reliance on jurists to “justify” decisions. Thus, some of the most brilliant jurists did not want to associate with the politicians out of fear of being forced to “compromise” with the *Shariah*. People, who were ambitious, but less knowledgeable in the religion, were “promoted” and some incorrect rulings were thus made. Imam Ghazalie stated that these *Ulama* without *Taqwa* were a chief cause for the decline of Islam.
- d) As this process took place over the centuries, a movement started which “over-compensated religious leaders, who compromised on shariah matters.” By this time people became rather ignorant in their religion, while some jurists became too “harsh,” and too rigid in their approach to people and in many cases the situation resulted in people beginning to hate Islam. Thus people lost the love for shariah.

Traditionally, the main sources of Islamic law (Shari’ah) were as follows:

1. The Qur’an: such as the verses that prohibit interest
2. The Sunnah (i.e. Hadith): sayings of Prophet Muhammad (SAW)
3. *Ijma’*: all agreed to collect the Qur’an
4. *Qiyas*: analogy pointing to the prohibition of drugs

Consequently, the Companions (*Sahabah*) settled down and established themselves in different parts of the Muslim world: Ibn Ma’sud and Ali in Iraq, each shared their experiences and understanding of the religion to the people. They often quoted different Hadith in different parts of the Muslim world, where they had settled. A number of schools of thought in Islam emerged and four *fiqh* schools became more dominant than the others. However, the knowledge of the other schools was incorporated (e.g. Ibn Hazm from Spain). Although there were many similarities between these schools, slight differences appeared due to the following:



- a) Language: a word can have different explanation, such as “ayn,” which can mean “eyes,” or “running water” or “pure gold” or “spy.”
- b) Hadith: differences exist in interpretations/narrations. Some Hadith are, for example, accepted by some Muslims as authentic while others are questioned, and some even rejected.
- c) Reasoning: in regards to this term, slight differences exist between the four schools, for example Imam Malik gave more importance to the tradition of the people of Medina.

Therefore, Islam and the Shariah became rather flexible to accommodate varieties in interpretation and by this alone the Islamic world remains a unifying force for the Muslims today.

### MANAGING THE CONCEPT OF *TAWHEED* & IBADAH

At the heart of the message of Islam is *Tawheed*. The term is often translated into the “establishment of the unity of Allah” and the verse in the Qur’an is “Qulu Allahu Ahd” (Qur’an, 112:1), which means “say Allah is unique.”

Ismail Faruqi, a well-known Muslim Professor of the last century, observed that *Tawheed* was the concept by which the Prophet (SAW) freed the Quraish from any kinds of superstition and the Islamic message was the message that guided the people from the darkness into the light. However, after several centuries, the Muslims went into an intellectual decline. The majority of the people performed acts of ritual worship. People prayed but forgot the reason behind it. People fasted but forgot the reason Allah ordered them to fast.

In other words, people performed the rituals, but forgot *Tawheed*. As political and economical corruption emerged, the faith in the religion declined and the Europeans conquered Muslim land. Many scholars argue that an essential prerequisite to any Islamic renaissance implies:

- a) A rediscovery of *Tawheed*.
- b) Teaching people how to apply the practice of the concept in their daily life.



The concept of *Tawheed* is often discussed in an abstract manner. However, life in the twenty-first century requires the concept of *Tawheed* to be implemented in the daily lives of the Muslims including in management. There is an assumption apparent in every textbook on conventional management, that: First, God does not exist; secondly, if He does exist, He is not the Provider of the Rizq, rather, man's "sustenance" comes from the application of the rules of management.

In a discussion on the challenges in doing business with a practicing Muslim businessman, it was said that every single issue revolves around the issue of *Tawheed*. Further, it was said that literally nothing is more important for a Muslim businessman to understand than the concept of *Tawheed*. Another businessman might say that many Muslims, who enter the world of business want to apply the rules of Islam, but in the end, they compromise *Tawheed*.

The *Tawheedic* paradigm in Islam can address the issue of integration in organisations. Modern organisations are experiencing problems due to the lack of a holistic context in which they operate. The solution to one problem creates other problems elsewhere. Too much specialisation in functional areas of management has reduced the ability of managers and corporate leaders to see the whole picture.

Islam and its paradigm of *Tawheed* have much to contribute to solving the dilemmas of today's management. *Tawheed* provides a centre of gravity, a source, and a unity that can help rebuild the holistic picture. This is because *Tawheed* provides an intellectual framework for understanding the unity of creation and existence. It teaches us that every thing has the same source and therefore in natural state, harmony must reign.

Allah (SWT) says: "I only created the Jinn and mankind for my Ibadat" (Qur'an, 51:57). According to Dr. Bilal Philips, *Ibadat* implies obeying Allah by doing everything that He has ordered and avoiding everything that He has forbidden. The term Ibadat is thus not limited to acts, such as Prayer, Fasting, *Zakat* or performing *Haji*.

In Islam, there is a distinction between *Ibadat* (ritual worship) and *muamalat* (transactions).



- In terms of acts of *Ibadat*, everything is forbidden, unless it has been authorised by Shariah. Thus, there are only two *rakat* for *subuh*. To pray three or four *rakat*, or only one is therefore forbidden.
- In terms of acts of *muamalat*, everything is permissible, unless it is specifically forbidden. In relation to management, the term implies that all actions including planning, organising, leading and controlling, are acceptable, unless religion objects them.

This point is generally well understood. However, that one's ritual *Ibadat*, which is considered *fardh 'ain* should be a first priority. Allah (SWT) says: "Men whom neither trade nor sale diverts them from the remembrance of Allah, or from offering prayers perfectly, or from giving *Zakat*" (Qur'an, 24:37). It is for example a manager's responsibility to fulfill his or her duty of performing the *Haji*, as soon as he or she has the means to do so and not when it happens to be convenient to business activities.

### **THE OBJECTIVE (MAQĀSID) OF THE SHARIAH IN MANAGING MUASHARAT**

According to Ali At Tamimil, in this respect, following main aims of the *Shariah* may be used as a guidance:

- a) The preservation of the religion
- b) The preservation of life
- c) The preservation of the family
- d) The preservation of the human character
- e) The preservation of the human mind
- f) The preservation of wealth

The significance of (d) should be noted as a main problem in organizations is the trend of attacking the character of people in order to gain a promotion. Yet, the Prophet (SAW) defined a Muslim as someone from whom other Muslims are safe from abuse by his tongue and his hand (*Sahih Bukhari*). It is important to note that attacks by the tongue of another Muslim is given priority in this *Hadith*, and although the Qur'an compares



this behavior to eating the flesh of your dead brother, and many Muslims would not dream of beating another Muslim, they regularly attack another Muslim in terms of his or her character without realizing it.

The implications of the above on Muslims today are numerous. A small number of examples will be discussed in this work. To begin with, there should be no “guesswork” in Islam. It is every man’s individual responsibility to seek the information needed to carry out one’s daily activities. A medical doctor would need to understand the religious implications on the practice of his profession. Further, a lawyer, especially, if practicing non-Islamic law, would need to understand any implications on his professional practices. A simple approach to this matter of seeking the needed information would be to systematically make inquiries or by asking for advice from competent people, instead of practicing “guesswork,” and to accept their advice be it agreeable or not. In a similar fashion, a person holding a manager position would also need to conduct the management of the company affairs following the teaching of Islam.

In this context, this writer would like to share a story. A friend was engaged in the insurance industry. Attempts were made to persuade him to change careers and work in a more suitable sector. Various verses from the Qur’an were quoted to convince the friend, but he said that one lecturer had claimed that insurance was permissible (*Halaal*). It was, therefore, suggested that he visits *Masjid* Negara and asks the Imam for a *Fatwa* on the matter. Unfortunately, the friend refused. Thus, this proves the importance for a Muslim to be aware of and apply a proper methodology, so that every problem can be dealt with systematically.

In regards to seeking the needed information from the authoritarian source, such as the Hadith, it should be taken into consideration that a Hadith is composed of a text and a chain of narrations. The Hadith, for example, that says that your actions will be judged by your intentions, has about 700 different chains of narrations. In other words, there are 700 different Hadith with the same text. It is, therefore, not surprising to find the Companions quoting different Hadith in different parts of the Muslim world. However, since many contemporary Muslims are less knowledgeable than earlier generations of Muslims, this fact may cause a confusion.



Another good example of the importance of following the advice provided by a competent source is related in the following story. During the life of the Prophet, a story was related in which a man was arguing with his neighbour about an issue related to land. They asked the prophet (SAW) for advice and he ruled in favour of the other party. Following that, the same man went to another person hoping for another ruling. After that incident, Allah (SWT) revealed the following: "But no, by your lord, they can have no faith until they make you (Muhammad SAW) judge in all disputes between them, and find in their hearts no resistance against your decisions, and accept (them) with full submission" (Qur'an, 4:65).

### ***THE OBJECTIVE (MAQĀSID) OF SHARI'AH IN MANAGING MU'AMALĀT***

In regards to the objectives of the Shariah, an important point to be aware of is that, in the majority of transactional cases, problems that are related to human relationships can be very complex. Generally, there are several angles or facets to a problem, with all kinds of short-term and long-term implications and, in many cases, the solution may not be found directly from the Qur'an and the Sunnah, but may deal with issues of personal interpretations and human psychology. Thus, a wise Muslim would try to avoid a simplistic ruling and rather understand the problem from every angle possible. Such approach to the problem of *muamalat* would mean to go beyond what is obvious or explicit and to take a "deeper" look into human psychology.

Further, ideally one might for example argue that knowledge should be given to the people for free and that the teacher should be offering his teaching purely for the sake of Allah (SWT). However, often, people may not be appreciative of what is provided to them for free. The following story illustrates the point, about a salesman, who sold a training course to a large corporation for RM40,000. He wanted to share this knowledge for free of charge to the students. However, few people attended the training and nobody seemed to take his lecture seriously. A lesson to be learned from this event might be to charge a fee for the knowledge, an approach to make people appreciate the value of the knowledge they have gained.



Man's purpose in life is to perform *Ibadat* to Allah (SWT), therefore, it is of importance that Muslims need to have a good understanding of *Tawheed* and its opposite, which would be to commit *shirk*. However, such understanding should not only be theoretical, but also practical. Many people are, for example, motivated by money. That does not imply that money is not important. However, it should not be the main priority. There is a trend in life, however, that once people engage in business or reach a certain level of power, they lose their former good intentions and start competing for higher positions in society. The three Hadith (from Sahih Muslim) in the following paragraphs may serve as important reminders:

Abu Hurairah reported Allah's Messenger (SAW) as saying: "a servant says, My wealth. My wealth, but out of his wealth three things are only his: whatever he eats and makes use of or by means of which he dresses himself and it wears out or he gives as charity, and this is what he stored for himself (as a reward for the Hereafter), and what is beyond this (it is of no use to you) because you are to depart and leave it for other people." This Hadith was narrated on the authority of al-'Ala'b. Abd al-Rahman with the same chain of transmitters (Al-Bukhari, Book 042, No. 7063).

Amr b. 'Auf, reported that Allah's Messenger said: [this is a lengthy Hadith, the middle has been cut but the meaning is the same] "By Allah, it is not the poverty about which I fear in regard to you but I am afraid in our case that (the worldly) riches may given to you as were given to those who had gone before you and you begin to compete with one another for them as they competed for them, and these may destroy you as these destroyed them" (Al-Bukhari, Book 042, No. 7065).

Abu Hurairah reported that Allah's Messenger (SAW) said: "when one of you looks at one who stands at a higher level than you in regard to wealth and physical structure should also see one who stands at a lower level than you in regard to these things (in which he stands) at a higher level (as compared to him) them" (Al-Bukhari, Book 042, No. 7068). Many verses of the Qur'an and Hadith relate to the problems associated with loving wealth too much.



## **THE OBJECTIVE (MAQĀSID) OF SHARI'AH IN MANAGING HUSIN-UL KHULUQ**

Currently, the most successful organisations in the world are those that firmly adhere to the values subscribed by the top management in moral conduct. Values are, however, also the focus and purpose of Islamic teachings. A Hadith reported by Bukhari said: "I (*Muhammad*) have only been sent to complete good manners (*Makarim Al Akhlaq*)." To be granted the pleasure of Allah, one has to gain the happiness of one's own people and this may be achieved by applying some core values, such as the following:

- *Tawakul*-- reliance on Allah.
- *Qadar*--the fact that everything has been created in measures should not be understood as fatalism.
- The importance of working for the *Akhirat* .
- The importance of "*taking the middle road*": that is to say, that people may tend to fall into error by going to the extremes of too much or too little. Thus, there are times, when Muslims, in their desire to be 'good' may be extreme in their opinions/understandings of Islam, making the religion difficult for themselves, their families and for the society at large.
- *Denying the bounties of Allah*: "they first acknowledge Allah's Bounty and then Deny it, Most of them are ungrateful" (Qur'an, 16:86). This statement refers to people, who say "this is my property; I inherited from my father..." (whereas everything in the universe actually belongs to Allah; man is only His trustee) or in another example, when somebody says: "this happened because so and so did this or that..." (thus denying Allah's Will).
- *The use of conditionals*: Abu Hurairah narrated that the Prophet (SAW) said: "seek carefully what benefits you. Pray for Allah's help and do not deviate from your path. If adversity strikes, do not lament or, say if 'I had done so and so, such and such would or would not have happened,' but say 'Allah has decreed, and what He has decreed has come to be.'" Not realizing this, may open the door to Satan.



- “The hypocrite and the polytheists entertain evil suspicion of Allah.” (Qur’an, 48:6). Ibn Qayyum, when explaining this verse, said that it referred to people, who had doubts that the Victory belongs to Allah and His Rasul (Prophet). The success of the Muslims is guaranteed on the condition that they implement Islam in their lives, not simply because they happened to be born Muslims.
- *Al wala wal bara*: To Love and Hate for the sake of Allah.

In respect to the above, it needs to be mentioned that Muslims may often have a different understanding of the concept of management. However, a lack of textbooks dealing in this topic and in specific details, has made it necessary to search deeply for a book to provide a background text to management from an Islamic perspective. However, the present book may fulfill this need at least by providing a basic understanding of the topic, until such time that a comprehensive text book on management from Islamic perspectives is available.

### MANAGEMENT VISION & THE ISLAMIC WORLDVIEW

The above discussion on Islamic worldview paves the way for an attempt to define a management vision relevant to contemporary societies of organisations. Setting a management vision plays a pivotal role for a practitioner in today’s corporate world. Mutual rivalries in the competitive corporate world today would cause more harm than good to the society. The Islamic perspective to competition and competitiveness is that they are acceptable and desirable if the intention is to strive and achieve in the cause of Allah. But if the intention (vision) is dishonourable such as envy, jealousy, mutual rivalry, boasting, reveling in vanquishing opponents, and hoarding worldly assets for the sake of hoarding them and not letting others benefit from them, then competition and competitiveness become evil. A *Quranic* verse on rivalry (102:1) says, “The mutual rivalry for piling up (the good things of this world) diverts you (from the more serious things).” This *Hadith* narrated by Sahl bin Sa’d, speaks on the carnal nature of human beings:



Ibn Az-Zubair who was on the pulpit at Mecca, delivered a sermon, saying, "O men! The Prophet used to say, If the son of Adam were given a valley full of gold, he would love to have a second one; and if he were given the second one, he would love to have a third, for nothing fills the belly of Adam's son except dust. And Allah forgives he who repents to Him." Ubai said, "We considered this as a saying from the Qur'an till the above Sura (beginning with) 'The mutual rivalry for piling up of worldly things diverts you' was revealed." (*Sahih Bukhari* Volume 8, Book 76, Number 446).

Thus Islam does offer alternatives to all these unhealthy management practices to achieve a management vision as follows.

### **FALAH**

The term for success can be found in the Arabic language in these form of the three words: *Najah*, *Fawz*, and *Falah*. The word *Najah* is however never mentioned in the Qur'an. Instead, the words *Fawz* and *Falah* can be found. The differences between *Najah* and the two other words are vast. The word *Najah* means success and with the interpretation of getting what one desires. The word is not given any ethical dimension. It is simply a neutral description of a state of affairs. The verb, *Najaha*, on the other hand, does not imply continuity.

The word *Falah*, in contrast, is a very complex and rich word and its meaning stretches beyond what one may understand as success. It has been given the meaning of everlasting prosperity and blessing. Further, the root of the word, *Falah* has another meaning, "to cultivate land." According to Khalifa (2001), the word exists in four dimensions. A dynamic dimension (strive to thrive), a universal dimension (to attain 'Falah', implying that the endeavours of one's entire life is considered). An ethical dimension (to be righteous, in intentions and deeds, to be blessed); and lastly a continuity dimension (the fruits of *Falah* are enjoyed both in the worldly life and most importantly, in the Hereafter).

A difference between the words *Fawz* and *Falah*, as mentioned by Khalifa (2001), *Falah* is that the term has been given a more dynamic connotation associated with action in the Qur'an. *Fawz*, on the other hand,



is mostly associated with reward, describing *Jannah*, as the supreme triumph. Following this, '*Falah*' is more linked to endeavour and striving, while *Fawz* is linked to reward.

The attainment of *Falah*, however, does not require Muslims to be flawless, but a minimum requirement is imposed on man, as can be learned from the following *Hadith* related by Muslim: "Abu 'Abdullah Jabir bin 'Abdullah al-Ansari (raa) reported that a man questioned the Messenger of Allah (s.w.s.) saying, 'Do you see, if I pray the prescribed (prayers), fast during Ramadan, allow myself what is lawful and forbid what is forbidden, but do nothing more than that, shall I enter the Garden?' He (the Prophet [s.a.w]) answered: 'Yes.'"

Khalifa (2001) argued that all human efforts, including the enhancement of material wellbeing, should be regarded as integrated elements towards the attainment of *Falah*, the ultimate goal of life. Siddiqi (1979) also believed that, the achievement of *Falah* does not depend upon the acquisition of wealth, appropriation of property or inordinate consumption of goods and services. It is further neither related to maximisation of profits nor to the size of an individual business enterprise and quantity of output. *Falah* can be achieved only through a moral approach to human affairs, which considers economic life as a means and not an end.

According to ibn Rajab (1995), in order to attain *Falah* Muslims should strive to ascertain and ensure their practice of three factors: *Ikhlas*, which means sincerity of intentions, '*Ilm*', which means knowledge of what is right and wrong, according to the Qur'an and the Sunnah, and lastly '*Amal*', which means deeds and actions that conform to the Qur'an and the Sunnah..

### **Rizq**

The Arabic word *Rizq* means whatever is of beneficial use. It also means bestowal of something by Allah. Kahf (1978, 23) states that: "In Yusuf 'Ali's translation of the *Qur'an*, '*Rizq*' is used to denote the following meanings: (Godly sustenance,) (Divine bestowal,) (Godly provision,) and "Heavenly gifts." "All these meanings convey the connection to Allah as the true Sustainer of and Provider for all His creatures."



Some Muslim scholars have argued *Rizq* can only be *Halal* (al-Askari, 1981). However, the concept of '*Rizq*' has a number of distinctive features. Firstly, it can either be tangible or intangible and, as such, it can be seen or unseen (Khalifa, 2001). This can be understood from the following verses:

Do ye not see that God has subjected to your (use) all things in the heavens and on earth, and has made His bounties flow to you in exceeding measure, (both) seen and unseen? Yet there are among men those who dispute about God, without knowledge and without guidance, and without a Book to enlighten them!

(Qur'an, 31:20).

Secondly, the word *Rizq* is not the same as *Kasb*. The meaning of the latter refers to what one earns, while in the former, the meaning refers to what one uses or spends (Khalifa, 2001). To the Muslims the concept of *Rizq* should be inseparable from the concept of *Falah*. The word *Rizq* *always* ought to be perceived within *Falah*. This can be understood from the following verse the Qur'an:

Qarun was doubtless, of the people of Moses; but he acted insolently towards them: such were the treasures We had bestowed on him that their very keys would have been a burden to a body of strong men, behold, his people said to him: 'Exult not, for God loveth not those who exult (in riches). \* But seek, with the (wealth) which God has bestowed on thee, the Home of the Hereafter, nor forget thy portion in this world: but do thou good, as God has been good to thee, and seek not (occasions for) mischief in the land; for God loves not those who do mischief. \* He said: 'This has been given to me because of a certain knowledge which I have. Did he not know that God had destroyed, before him, (whole) generations, - which were superior to him in strength and greater in the amount (of riches) they had collected? But the wicked are not called (immediately) to account for their sins. \* So he went forth among his people in the (pride of his worldly) glitter. Said those whose aim is the Life of this World: 'Oh! That we had the like of what Qarun has got! For he is truly a lord of mighty good fortune!. \* But those who had been granted (true) knowledge said: Alas for you! The reward of God (in the Hereafter) is best for those who



believe and work righteousness: but this none shall attain, save those who steadfastly preserve (in good). \* Then we caused the earth to swallow up him and his house; and he had not (the least little) party to help him against God, nor could he defend himself. \* And those who had envied his position the day before began to say on the morrow: 'Ah! It is indeed God Who enlarges the provision or restricts it, to any of His servants He pleases! Had it not been that God was gracious to us, He could have caused the earth to swallow us up! Ah! Those who reject God will assuredly never prosper. \* That home of the Hereafter We shall give to those who intend not high-handedness or mischief on earth: and the End is (best) for the righteous.

(Al-Qasas, 28:76-83).

An *Hadith* related by al-Bukhari and Muslim saying the following;

Verily the creation of any one of you takes place when he is assembled in his mother's womb; for forty days he is as a drop, then he becomes a clot, in the same way, and then, in the same way, a mass. Then an angel is sent to him, who breathes the ruh (spirit) into him. Four words of command are given to this angel, viz. that he writes down his provision (rizq), his life span, his deeds, and whether he will be among the wretched or the blessed (at Judgment). By Allah - there is no deity but He -one of you may work the works of the people of the Garden, till there is naught but an arm's length between him and it, when that which has been written will outstrip him so that he works the works of the people of the Fire; one of you may work the works of the people of the Fire, till there is naught but an arm's length between him and it, when that which has been written will overtake him so that he works the works of the people of the Garden and enters therein (The collection of Forty Hadith by Imam an-Nawawi).

Ibn Rajab (1995) noted that "you should know that realizing" *Tawakkul* (putting one's trust in Allah) does not contradict '*Kashb*,' or endeavor and taking measures, by which Allah has decreed the determined, as it is Allah's way with His creatures. For Allah (Be He exalted) has commanded, which means, as He commanded *Tawakkul*. Consequently, by taking all necessary measures is obedience to Him, and by putting trust in Him by heart (*Tawakkul*) implies faith in Him, as Allah says:



“O ye who believe! Take your precautions” (an-Nisa’, 4:71), and: “Against them make ready your strength to the utmost of your power, including steeds of war” (al-Anfal, 8:60), and: “And when the Prayer is finished, then may ye disperse through the land, and seek of the Bounty of God: and celebrate the Praises of God often (and without stint): that ye may prosper.”

(Qur’an, 62:10)

The above versess and *Hadiths* reveal all what is essential in regards to the Arabic words *Rizq* and *Falah* and their relation to each other. Therefore, Muslim managers, unlike their counterparts, who advocate conventional management loaded with secular and western value system, must avoid it. Rather, they must strive for *Falah* through the procurement *Rizq* as their vision of management from an Islamic perspective.

### SUMMARY

Islam is indeed a comprehensive, integrated and holistic religion that governs and interweaves with regards to all aspects of life. There is no conflict in Islam between, *Duniya* & *Akhirah*. According to Islam, the terms *Dunia* and *Akhirah*, do not stand in conflict to each other, neither do the words *Duniawi* and *Dini*, the self and the society, or operating a business and *Ibadat*, as long as one maintains a strong *Iman*. *Tawheed*, the heart of Islam, necessitates sincerity to Allah, and enforces the view that the ultimate end in man’s life should be to seek His pleasure. To achieve this ultimate end, an Islamic ethical system would be pertinent, that could influence and guide man’s behavior in all his endeavors. *Tawheed* and *Istiquamah* are two basic axioms upon which such an ethical system could be developed and built. The Islamic ethical system is not simply a system of merely functional ethics, such as good ethics is good business. Rather, it is a system of deeply rooted and genuine ethics. Thus, according to the religion, applying this form of good ethics is not to be considered good simply because it may happen to bring about good business, but rather ethics applied based on the religion, may be considered good even though it happens to lack economic sense (Khalifa, 2001).



A normative framework in the establishment of a business enterprise and organisational behavior is required for the translation of guidance of the Islamic ethical system into a useful tool for analysis and prescription. The building blocks of this framework would be the three Islamic concepts, namely: *Falah*, *Hikmah*, and *Rizq* (Khalifa, 2001).

Muslims should abandon the terms rationality, its secular sense, and instead adopt the notion of *Hikmah*, which simply means seeking *Fatal*. From this, a logical consequence would be that profit maximisation, the offspring of rationality, must be abandoned. A better alternative to profit maximisation, would be *Rizq Enlargement* and *Rizq*, which implies more than mere materialistic gain, as to enlarge *Rizq* is not only through hard work, knowledge, competence, and the like but also through *Taqwa* and *Tawakkul* (Khalifa, 2001).

The chapter has highlighted a number of important factors that Muslims managers as well as other professionals should be aware of in their affairs, such as:

1. The importance of understanding their vision in life in terms of the Islamic worldview.
2. The importance of understanding the comprehensive meaning of *Tawheed* and *Ibadat*, and avoid allowing themselves to become caught by the secular views and especially in regards to management from a purely western perspective.
3. Learning to appreciate the evolution of the Shariah and its affects on all man's actions.
4. The importance of a systematic approach in handling problematic issues of Fiqh (by referring to a good authority).
5. Learning to appreciate the complexity of the many questions related to *muamalāt* and which involve short-term as well as long-term considerations. In most cases, there are no single or clear-cut answers to such questions and some wisdom must be applied in the choice of solutions to these mundane life problems.



## QUESTIONS

1. "The best approach in developing the field of Islamic Management is to start from scratch."  
Discuss this statement in the light of the contemporary society of Malaysia and the Muslim world.
2. Research methodology in management by non-Muslims and particularly that of the West has had its influence on the thinking of modern Muslim managers, who did not receive training in Islamic studies.
  - (a) Explain two negative influences of such research methodology practiced in Western management.
  - (b) Define research methodology in Islamic management.
  - (c) Recommend ways to develop approaches to this form of research that are consistent with the spirit of Islam.
3. According to the author, Muslims should develop a discipline of Islamic management.
  - (a) What is an "ideal" position in assisting the development of such a discipline of Islamic management?
  - (b) Recommend a more viable and practical approach to the development of a discipline in Islamic management suitable among Western-educated Muslims? Justify your views.
4. Someone approaches you for an explanation to Islamic Management in an organisational context. How would you relate it to the Islamic worldview?
5. Based on your understanding,
  - (a) Discuss the Shariah principles to Islamic transaction, Islamic *Muasharat* and *Akhlaq*
  - (b) In your opinion, are *Tawheed* and *ibadat* parts of the study of management from the Islamic perspective?

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## *Chapter 2*

### **LITERATURE ON MANAGEMENT**

These topics and sub-topics have been indicated in the beginning of the chapter for the quick reference and easy access by the readers. This chapter begins with an introduction and ends with a summary followed by relevant questions and references. This chapter discusses the following topics.

<b>Islamic Principles of Business Organization</b>	<b>29</b>
<b>Modules on Leadership from Islamic Perspective</b>	<b>34</b>
<b>Training for Islamic Workers</b>	<b>35</b>
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### **INTRODUCTION**

Islam is a universal religion followed by over one billion people living in different geo-political systems and of various professions. The need for knowledge in Islam especially applicable within an organisational setting is increasingly becoming more important. Applied in any organisation, Islam stresses cooperation and the sense of collectiveness among the employees, as in fact, the religion cannot be practiced in isolation. The collective efforts of people in a work situation should be aimed at achieving a certain goal and since organizations are composed of very distinct



people, who are each of unique character and contributes in particular way based on cultural diversity. Few Muslims are well versed in management according to Islam and the most accurate method in achieving the objectives of the organization, including business organisations. The individuals may be contributing accordingly in view of the operation and expected growth of the firm, but somehow, they may be working in a form of culture that is not encouraged by Islam. In other cases, perhaps Muslims may be competing healthily with one another in the firm, but somehow lacking the correct background knowledge and understanding of Islam. Thus, they may be carrying out tasks in a manner that is against Islam. Books in the field of management from an Islamic perspective would therefore play an essential role especially to inquisitive and interested Muslim managers.

According to Jabnoun (1994), the implication of Islam is compliance to the Command of God. Islam has been one of the global major forces behind the development of mankind. The Islamic evolution has made remarkable and highly essential contributions in many areas of human life.

Islam provides comprehension and guidance for people to make a meaningful use of possessions bestowed by Allah and to protect themselves from wrongdoings. These are objectives which must be achieved within the framework of justice, dignity and benevolence. The teaching of Islam has provided Muslims a strong principle and guideline to live by and to achieve these objectives.

In regards to management and leadership, Jabnoun (1994) presented several leadership traits, as to how a Muslim leader should behave in order to deserve good followers. It was concluded by the author that being just is not sufficient; managers would need to ensure that their subordinates perceive them as just and fair to avoid creating distrust among the workforce of the organisation. It is essential for a leader, Jabnoun further stressed, to establish justice among the workers at the workplace: this should be accompanied by suggestions of the same in terms of equity that should be implemented at all time. In addition, the author recommended a reward and punishment system that should be



put into practice in order to stimulate individual motivation towards a collective effort in attaining the organisational vision. In his book, Jabnoun also emphasized the vitality of total quality management that would lead to an effective relationship between employees and higher-level officers. This area is the focus for extensive discussion; since Islam encourages the overall quality of life but the shallow discussion in the book may not by far satisfy the readers. Should the author decide to publish a new edition, this particular part may need further consideration.

### **ISLAMIC PRINCIPLES OF BUSINESS ORGANISATION**

Today, ethics has become a big issue for discussion from all aspect of human life. The discussion should covers various aspects, social aspect and thus also aspects from the perspective of management, such as business and corporate culture and in this regard for example in terms of business activities that are not being carried out in a legal manner. In time people tend to become more individualistic and materialistic with less concern for religion and quality of life. Further, the current aims and objectives of most companies are rather geared toward profit maximization and such materialistic approach to life solely, will lead people away from the right path in their cause of achieving this objective. Examples of unethical behavior often taking place among business activities nowadays are bribery, cheating in measurements and weights, hoarding, unhealthy competition etc. Again, such unethical behavior appears to have become inevitable in order for a businessman to achieve success in his trade. The human no longer seem to be able to differentiate between a legal and illegal act, and rather focuses on the materialistic side of the business and success that may result by using a shortcut. Despite the fact that a human code has been implemented to serve as guidelines and punishment for misbehavior, it still cannot offer a solution. Rather, man must return to the fundamental values of trust, sincerity and justice, which should be imbued and practiced by everyone in every aspect of life. These fundamental values can be found in the ethical standards set by the Qur'anic injunctions and the Hadith, which are the best standards of code of ethics and model behaviour to be practiced. It is complete and



relevant at all time and applicable to all aspects of human life. This fact has been agreed to by non-Muslims as well.

Two articles by Hanafi and Salam (1995) and Ahmad (1995) are among recent important works on ethics and its development. In their two papers, the authors discussed the definition of ethics and development of code of ethics from a western and Islamic point of view. The authors underlined the same Islamic principles as they were presented from the views of the Holy Qur'an and the Hadith. Hanafi and Salam (1995) for example presented the Islamic view concerning the code of ethics, as originating from the Qur'an and Hadith and which related to the following six areas: Truthfulness, trust, sincerity, brotherhood, knowledge and justice. According to Ahmad (1995), Islam prescribes certain specific guidelines for the governing of business ethics and identifies ethically-desirable forms of business, specifies the undesirable modes of transactions, and enumerates the general ethical rules of conduct of business. The author believed that, adherence to contracts, false advertising and misrepresentation, accurate measurement and weights, hoarding and profiteering, destruction of surplus produce, interest and unlawful trade, fair recruitment practices, fair treatment of workers, and protection of environment are among the aspects of good business ethics in Islam.



Abdel-Kawi (1995) in his article "Islamic beliefs as moderators of organizational stress," covers the issue of stress among the employees of a business organisation and shows how Islamic belief can provide a solution. The author defined stress as the cognitive process through which the person perceives a stressor. He believed that, certain beliefs in Islam can reduce stress, if the Muslim executive cognitively refers to them. This Islamic belief, to which the author referred, comprises of the belief in the One Creator-Sustainer God and the belief in work as a religious obligation and rewards in the life hereafter. According to Sharfuddin (1987), Islam is one of the external manifestations of faith, in that the Qur'an asserts that man's work will be witnessed by Allah (SWT), His Prophet, and the Believers, and he will be rewarded accordingly. The Qur'an stated that: "Man acquires nothing but what he himself has earned;



none of his deeds is lost and search will count on the Day of Judgments” (Qur’an, 53:39-41).

From the perspective of ethics in Islam, Shareef (1995) also outlined the Islamic principles of organisational behaviour. The author pointed to the Qur’an and Sunnah, where as far as internal organisational training of employees was concerned, comprehensive guidelines for training of Muslims were laid down. They were to be educated, provided skill development within the organization, at home as well as within the external environment. According to him, some of the broad guidelines would be:

1. Belief in God and engaging in honourable work are mandated in a combination.
2. Engaging in the promotion of good and forbidding of evil among mankind is also mandated in a combination.
3. Regularly scheduled worship and charity are mandated in a combination.
4. Fasting and pilgrimage are mandated.
5. Mutual rights and duties between husband and wives, parents and children, employers and employees are delineated.
6. Acquiring knowledge, even if it involves long-distance travel, is encouraged.
7. Striving for change is mandated.

The author concluded that, “Muslims have a giant task ahead in terms of training and retraining themselves as true Muslims, to come back to the right track and push forward with their role as the true Representatives of God on earth. They must drastically improve their cognitive power and affective behavior in the determined and planned manner. They further should build viable organizations based upon the Islamic Principles of Organizational Behavior, if they are to succeed” (Shareef, 1995:60).

In a continuation of his views on ethics, Sharfuddin (1995) made a comparison in terms of human performance and motivation from an



Islamic perspective with that of the western-based theories, such as Maslow's hierarchy of needs, Herzberg's two-factor theory of motivation, McGregor's theory X and theory Y, and the Ideal socialist approach to human motivation and need satisfaction.

To evaluate Maslow's hierarchy, according to Sharfuddin, one needs to understand the psychology of the Muslim individual from the perspective of his/her external environment and to determine where the person can be fitted into the Maslow's categorisation. However, Triningham (1949: 107) believed that: "an important clue to the understanding of Muslim, which arises out of this, is that their religious and social life forms a natural whole... They have a unified and attainable religious social code of behaviour... Their religious life is wholly a matter of behaviour and conformity."

Islamic theory seems to approve the notion of satisfaction and dissatisfaction. Those who are attached to Islamic organisations, although they may receive a smaller salary for their work compared to similar work in a secular organization, tend to experience a higher satisfaction with their work. A smaller salary is in this respect compensated by conditions that may allow the employee to perform his/her daily duties, as a Muslim, something, which contributes to the satisfaction of the true and devout Muslim. On the other hand, there are some Muslims in high-salary positions in secular institutions, which do not allow them to perform their Islamic duties during work hours. These employees experience dissatisfaction with their work environment and feelings of guilty for not being able to discharge their religious obligations (Sharfuddin, 1995).

Douglas McGregor formulated two distinct views of man, one negative (Theory X) and another positive (Theory Y). He examined the way administrators deal with their employees and concluded that they tend to mould their own behavior toward the subordinates according to these assumptions. Sharfuddin (1995) noted that the Islamic view of man tends to be more positive in nature, thus resembles the assumptions of theory Y, while neither rejecting not accepting either theory completely. According to the author, Islam considers man as good by nature, and as fully capable of appreciating the nature of his acts, be they good or bad.



The Socialist view starts by determining the reasons for providing wages to workers. In the view of the socialist, the concept of wages is an artificial attempt in rewarding the workers for their efforts, and considered rather as a charity, than recognition of the right of workers. From the perspective of motivation of the workers this view will in turn serve as a negative factor. Thus in a socialist society one is allowed to take control over one's need, something, which may be applied even to the society itself. Since income is a need of man, the income of any man should not be provided in terms of wages from any source or in terms of charity from anyone. Thus, there are no wage-workers in the socialist society, only partners (Sharfuddin, 1995).

From the ethical perspective and according to Islam, there is a constant relationship between belief, work, and reward in this life and in the Hereafter. The Qur'an says: "And whatever deed you (mankind) may be doing we are witnesses thereof when you are deeply engrossed therein, nor is hidden from your Lord (so much as) the weight of an atom on the earth or in heaven. And the least and not the greatest of these things, but are recorded in a record" (10:61).

This verse clearly tells that Allah knows the behavior, deeds, and even intentions of every individual. Believers are reminded that God oversees them, a fact, which hopefully, would lead to a correct behavior in the workplace; to reduce corruption, tardiness, and misbehavior; and to create an environment conducive to high production and excellence. The Qur'an also says: "But seek, with the (wealth) which Allah has bestowed on you, the home of the Hereafter. Nor forget Thy position in this world, but do good as God as been good to you and seek not occasions for mischief in the land, for God loves not those who do mischief" (28:77).

Hence, the individual is encouraged to work hard, to put forth his best effort, and to fight against feelings of frustration and hopelessness. This theory views work, as an obligation of every able man and woman, who are encouraged to work and forbidden to seek the help of others without real cause or great need. They are also told that the best way to worship God is to engage in acceptable work and avoid corruption.



In the light of the above, the Islamic government and its Islamic organisations are, however, to provide opportunities of work to all capable Muslims or else provide unemployment benefits until such time that work can be offered. They must also motivate the employees by providing good working conditions and offer them fair wages as well as retirement benefits. Islam does not rely solely on the impact of the religion on the human conscience, but provides rewards, security and makes the necessary arrangement to assure that the individual is satisfied and well motivated to perform his task to the best of his abilities.

### **MODULES ON LEADERSHIP FROM ISLAMIC PERSPECTIVE**

Leadership is an essential aspect of management and this fact motivated Mr. Omar Hasan Kasule, Sr. to develop and write a model for training in leadership skills. His module was introduced at the Muslim Leaders' Forum held in August 1998, a forum especially catering for Muslim leaders. This module for training in leadership skills is divided into six general themes, communication, negotiations, decision-making, strategy and planning, *Da'wah* and time management. Under each theme, workshops are to be conducted, each requiring three to five hours' time, that can be further divided into pre-workshop preparation, facilitator presentation, group discussions and plenary concluding session.

The first theme of the module, communication, consists of five workshops: (1) the nature of communication, (2) the communication process, (3) communication in small groups, (4) the art of listening, (5) etiquette of the *majlis*. Following this theme would be the negotiation theme that consists of seven workshops: (1) the nature and purpose of negotiations, (2) win-win negotiations, (3) preliminaries to negotiations, (4) principles of negotiations, (5) pressure tactics, (6) conduct of a negotiation session, (7) dead locked negotiations.

The third theme deals with decision-making and consists of four workshops: (1) the importance and role of a decision, (2) factors in decision-making, (3) process of decision-making, (4) process of problem solving. Strategy and planning follows next and is divided into seven workshops: (1) the understanding of strategy, (2) the understanding of planning, (3)



strategy planning, (4) lessons from seerat, (5) strategic movements, (6) implementation of strategy. (7) Action and tactical planning.

The fifth theme of the model deals with *Da'wah* and consists of two workshops, titled the understanding of *Da'wah* and methods of *Da'wah*. The sixth and the last theme of the module deals with the concept of time and consist of workshops divided into twelve chapters. The first part deals with the concept of time. The second part deals with the issue of the importance of time. The third part deals with the quality of time, while the fourth deals with the measuring of time. The fifth and sixth parts deal with multiple priorities and scheduling of time, respectively, and the seventh part deals with the issue of punctuality. The eighth part is, balancing in time management, and the ninth is managing interruptions. The tenth is poor time planning and finally, habits and routines, as well as conduct of meetings are the eleventh and twelfth parts of the theme.

The module assumes the concept performance gap, which is the difference between the ideal and the actual organisational performances from the individuals, as well as the organisation's, perspectives. The concept implies that the commitment and the efforts of the individuals have not completely been translated into practical results in the communities. This is so due to an existing deficiency in the practical skills of leadership and management, as these aspects are not in-born in man. From the Islamic perspective, however, the system, such as empirical experience, can be changed with changes in time and space, but should be held within the moral context of Islam (Islamic Shariah).

### TRAINING FOR ISLAMIC WORKERS

The bankruptcy of Enron Corporation, the seventh largest company in the US created turmoil in the country, as it was the biggest bankruptcy in US history. The company collapsed in 2002 amid allegations that it misled investors in regards its accounting practices, while in the same time top executives reaped huge profits by selling their holdings. Enron's sudden downfall and financial practices are now under investigation by federal prosecutors, the FBI, securities regulators and eleven congressional Committees. Muslims should view this case as a good reminder and a



warning. With the practice of a real Islamic *mu'amalāt*, what happened to the Enron Corporation could be avoided from taking place in the Muslim community. Allah has said in the Qur'an: "Do you not see that Allah has subjected to your (use) all things in the heavens and on earth and has made His bounties flow to you in exceeding measure, (both) seen and unseen? Yet here are among men those who dispute about Allah, without knowledge and without Guidance, and without a Book, to enlighten them" (31:20). Thus, it is the responsibility of any Muslim to enhance his/her knowledge with the teaching of Islam in order to refrain from involving in matters forbidden by Allah. According to Imam Ghazali, a Muslim, who decides to enter a trade as a profession, takes on a profession or establishes a business, should first acquire thorough understanding of the rules of business transaction codified in Islamic Shariah.

From a management point of view and with an objective to produce dynamic Muslim leaders, a book written by Hisham Al-Talib *Training Guide for Islamic Workers* would be very useful. The book addresses potential Muslim leaders willing to acquire knowledge and wisdom and practice *Da'wah* with the perspective in view to become the pioneer in social change through a convincing and effective communication. The book assumes that the readers have some commitment to Islam and willingness to establish its proper practice, and the principal target or audience of the book is university students, both undergraduate and graduate students. In terms of reader's age, the book caters for younger people between 20 and 30 years old. It aims at providing training to potential leaders and workers in the arena of Islamic *Da'wah* at the local, national and international levels.

Al-Talib has been an active participant in Islamic activities in North America. He was the full time director of the Training Department of the Muslims Students Association (MSA) of the United States and Canada from, 1975-1977. During this time he conducted many training camps and seminars in America and abroad. He has also served in several other positions in Islamic organisations, such as being the second Secretary General of the International Islamic Federation of Student Organizations (IIFSO). At present, Al-Talib is serving as the director of



the SAAR Foundation, a position he has held since its inception in 1983. He is a founding member of the International Institute of Islamic Thought in 1981.

The book written by Al-Talib is a training guide and covers various areas in which Islamic workers should have knowledge. The guide deals with physical as well as mental training of the individual and covers these views from an Islamic perspective. The guide is divided into five important parts, such as Perspective on Training, Functions of Leadership, Skill Enhancement and Self Development, Training for Trainers and the Youth Camp in Theory and Practice. The author has provided exercises for the practice of the readers at the end of each part.

In the first part of the guide, "Perspectives on Training," the author provides an overview of the Islamic movement and its current general state. Within this context, while defining the objectives of the training, and the purpose of his guide, he refers to and relates to the Qur'an. The author states the relationship between a Muslim in his/her role of *Da'iyah* and to the environment as well as to the population. He states that a Muslim as a *Da'iyah* should understand the particular environment and the population he or she resides in. As a *Da'iyah*, it is further essential that one should be aware of what takes place in the world on the local and international levels. A Muslim may categorise his or her activities into three dimensions: (1) the individual level, (2) domestic matters, and (3) international matters. As a *Da'iyah* he or she should be skilled in all three dimensions. The author also provides an overview of the Islamic movement during the 14<sup>th</sup> Century Hijrah from various aspects and analyses the strengths and weaknesses of the movement.

From al-Talib's approach to the issue, one understands that he wishes to see improvements in the movement and is hoping that this guide would be instrumental in achieving this. In addition, the author includes training suggestions from historical perspectives to remind Muslims of their objectives on this earth and of the tasks that is to be fulfilled.



In the second part of this guide, "Functions of Leadership," the author acknowledges that leadership is a part of the Islamic personality and deals with some selected elements of the concept of leadership. He firstly defines the concept itself and its many roles, viewing it from an Islamic point of view. Al-Talib continues by listing a number of factors that one should take into consideration in a leader and qualities that a leader should have. A good leader should for example be a good problem solver; therefore, this part of the guide covers the issue of problem solving. In problem solving, a leader should have the ability to define, classify and analyze the problem. Following that, he or she should be able to make an informed decision. Within the area of decision-making, there is a number of steps suitable to the particular technique applied in the program and its specially selected environment.

The Youth Camp has earned a good name as a respected institution in Islamic work. Even though not restricted to the training of the individual based on one-to-one style, most of these youth camps are oriented toward the individual development of leadership qualities and skills. In the last part of the guide, titled "the Youth Camp in Theory and Practice," the author elaborates on the youth camp itself, its purpose, camp preparation, program design, the participation of the camp and its evaluation. The author also includes the concept of *adab* in Islam in this part of the guide. The purpose of the Youth Camp is, according to the author, generally to enhance the skills and knowledge of the participants. It provides experience to the youth in various aspects. The main objectives of the Youth Camp is, however, to implant the knowledge of Islam in youths in that they may practice the religion throughout their lives. For the camp to be effective, efforts should be made to select a place with an Islamic environment, conducive to this form of training and without any distractions from the outside world. The place should offer an atmosphere of freedom and simplicity. Further, the location selected should offer ample rooms to facilitate meetings, conduct classes and activities of the camp. Other amenities like a dining hall and kitchen are also important to take into consideration. In order to make the entire camp interesting, several measures need to be taken. The schedule and the



activities of the program should be applicable to the participants. Selected speakers play an important role and they should be able to understand the needs of the participants. Besides these requirements, the *adab* of the participants should not be neglected, and should follow the Islamic manners.

This training guide is a workbook, complete with tutorials, exercises and stories; it also allows the readers to test their knowledge, while keeping the readers from losing interest in completing the reading throughout the book. The exercises provided can assist readers in enhancing their skills, and the stories can attract the readers via their content. The guide is good in terms of the manner in which the author has outlined the content. It begins with an historical overview, followed by contemporary issues. It has ongoing self-evaluations, as each chapter covers the need that may arise. Al-Talib manages to cover all aspects of importance for Muslim workers. He in fact manages to cover areas ranging from contemporary issues such as leadership to more detail areas, such as manners in Islam, the *adab* of eating, sleeping and general appearance. It is interesting to note, that this area simpler are of *adab* is still considered important in the development of Muslim workers. The area of *adab* plays an important role to the writer, but sadly it appears to have become neglected.

In a comparison between the two books, the training guide by Al-Talib and the book dealing with human development and motivation by Sharfudin, there is a certain amount of resemblance, especially in terms of the functions of Leadership. The content is good, but unfortunately, the author does not relate much of it to Shariah. The issue of leadership is important and also very interesting as the book has related many stories from the period of the Prophet Muhammad (SAW). It would be more interesting if the author had related the topics with the *seerat* and stated examples of leadership from that particular period. This part of the book further lacks real life situations, and present events that truly takes place in organisations. It would be more interesting if it was a case study dealing with scandals that actually take place in organizations or personal experiences of the workforce. Such an approach would serve



as an eye opener to the readers, as they would learn what is taking place in the real world. The reader should have been provided a more practical side of life, rather than a focus on theory.

In regards to the objective of the training guide, which is the production of dynamic leaders, it should be noted that a good trainee requires a good training program that in turn requires a good trainer. In this fourth part of the book, *Training for Trainers*, Al-Talib emphasizes on the actual training itself. He discusses how to assess and analyse the needs for training, characteristics of a effective training programs, different types of training, components of training program and its techniques and how to plan, and implement a good training program.

Before a person embarks on the training program, an analysis should be made of the individual in order to determine the areas in need for training. This exercise can be carried out through observations, questionnaires, interviews, work samples, records and reports. An effective training program should be able to assist individuals in acquiring relevant skills and by their continuous practice of these skills further developed them. The trainer needs to know the audience and must know how to bring about the involvement of his/her audience into the training program. The materials used must be good and accommodate the limits of the trainees. The trainer can choose to adapt the style of training and to diversify it in terms of its duration, purpose, geography, age of the participants and its specialisation as long as the training selected suits the need of the program. Without good training materials, a good training technique and a good environment, the training program would become uninteresting. Therefore, in order to make the program more interesting and attractive, the trainer should use resource materials relevant to the program. These are important aspects to be taken into consideration during the process of the program planning, before one embarks on the preparation of the activities, which will eventually lead to a final decision as to the outlook of the program.

As stated above, being a good problem solver is a function of a leader. An important part of the process of problem solving is decision making, a process which is a matter of both art and science. It can also



be a matter of decision analysis, system approach, creative process and strategic decision. The relevance, timeliness, legitimacy and accuracy of the information involved in the process should also be taken into consideration. From the Islamic point of view, *Shura* is an approach to decision making. After the decision is made, the leader should implement it. The leader should inform the people concerned in the implementation process and ensure they have the knowledge as to how it should be carried out as well as the cost of the action. The planning of the process of decision making must be effective and the leader must identify the interrelation between various levels concerned in the process of the planning. The evaluation process can assist in the implementation process, but the leader must have the knowledge and understanding as to the right time for the evaluation and the techniques to be applied. Team building and group achievement are, according to the guide, also important aspects for workers to learn and be Islamic workers, resulting in their contribution to their group to be excellent.

In regards to the implications of the concept of performance gap, a concept applicable when a deficiency in the practical skills in leadership and management results in a gap in ideal and expected performance. skill enhancement is of great importance to achieve excellence in leadership. Therefore, in order to effectively accomplish their objectives, leaders as well as followers must acquire certain skills. Some skills are individual-oriented, such as public speaking, writing, giving advice, listening and managing time, while other skills are more group-oriented, such as forming and chairing committees, arranging and chairing meetings, using audiovisuals, dealing with the media and establishing local organisations. These are skills discussed in the third part of the guide titled "Skill Enhancement and Self-Development." These skills under discussion are, however, not a complete inventory of skills that would set an effective *Da'iyah* apart from others. The most important factor in this context is emphasized by the author, which is a Muslim should always be engaged in a learning process and should never stop learning. He has to try to acquire whatever knowledge and skills necessary to carry out tasks effectively. This view reminds the readers that there are many



facets that make an Islamic character. Muslims should make serious efforts in enhancing and developing their skills, while integrating them with the teachings of Islam.

The training guide is commendable and can serve as a foundation upon which upgrading in terms of format and content may be built. This writer would like to recommend this book to all students, especially those who are about to enter the work market, and to workers who want to enhance their skills from an Islamic perspective. The guide would also be meaningful to those who are continuously engaged in various forms of training programs, motivation camps and others, as it can contribute new perspectives to training.

### ISLAMIC MANAGEMENT FOR EXCELLENCE

*Islamic Management of Excellence: Revitalizing People for the Future*, a book written by Al-Habshi *et al.*, (1994), explains the importance of a stable family institution. According to the authors, it is vital to nurture a good home for one's family, instead of a house to live in. In addition, we should also realize that creating a sustainable society requires a multi-dimensional approach to human civilisation rather than just focusing on economic success and prosperity. In order to manage a prosperous society well, some permanent elements that uniquely identifies a particular society must be prevalent, as these would be what unifies the members of the society.

Education would be the avenue for producing the right kind of individuals for a nation. However, a proper legislation may only exist when there is intervention by preventive factors. The development of a caring society can only be materialised when its people continuously and consistently subscribe to the values that would reflect "caring." Religion, custom, and tradition are the elements that have strong roots in any society and through which to inculcate values into the individuals. Lastly, the business or the corporate sector would be the channel through which numerous pertinent services to the society may be provided.

In regards to management for excellence and its Islamic perspective, the authors of this book further introduced important



concepts such as *Ihsan*, justice and benevolence. The concept of justice implies the rendering of what is rightful to whom it is due. Benevolence is a concept, which comes into existence, when more than just the minimum standard is contributed in what one undertakes. However, organisational failures are inevitable when one is unable to respond appropriately where required and lacking the desire to adopt to change. Although accountability can be defined in various ways, it should be stressed that an effective system of accountability is primarily based on the internal control within the individuals, which will defer them from practices such as briberies, favouritism, frauds and misuse of power.

Al-Habshi *et al.*, believe that management ethics in Islam is derived essentially from the Shari'ah, and one of the basis for Islamic ethics is the concept of Tawhid. This concept presupposes a consciousness in man, which brings a sense of equality among all men. The Islamic value system is complete in nature and it can be applied universally. Values within contemporary management that do not contradict the teachings of Islam can also be applied universally. The nature of corporations has been evolving and changing drastically in present times, a fact that must be accepted. Thus, it is pertinent for the leaders of corporations to absorb these changes and adapt to them accordingly. Corporations do have their own corporate culture, which would serve as a strong driving force to inspire, stimulate and motivate individuals or a group to behave and act in the required manner for the improvement of their performance.

From the perspective of "management for excellence" the title of this book under review, the dynamics of the two concepts of quality and productivity should be understood and appreciated by the leaders. In order to cultivate a healthy and dynamic approach to work at all levels and at the maximum capacity, the proper attitude and intention towards work are vital. Nurturing a conducive and effective work culture is also important to the success of a corporation and among the approaches proposed in this respect by the authors are the qualitative approach, the preventive approach and the corrective approach.



In regards to attitudes displayed in an organisation, complacency towards right organizational matters might jeopardise the future of any corporation. The same would apply to attitudes, such as over-confidence, contentment and the unwise indulgence in excessive optimism. Thus, the key to excellence would be through consistent, continuous and industrious efforts. An individual may through the completion of a task with excellence achieve satisfaction and providing due credit and recognition would enhance this. In order to bring about involvement and commitment to quality and productivity among the employees at every level of an organisation, this should be done without simultaneously causing any harm to others. In this instance, the 'no-injury principle' in management would be applicable. Managers may also enhance their knowledge in this regard by turning back the pages of history and find examples of God-conscious individuals, who unselfishly have been serving the state and its public in a manner as though they were their servants. Among the components required for the building of a model organization would thus be good leadership, the creation of work satisfaction, to ensure complete democracy, provision of positive avenues for career development, and cordial employer-employee relations. In order to develop a credible organisation in the current times, leaders and staff rich with integrity, with concern and commitment for responsibility and accountability for all their actions, would be required.

The concept of participative management is also highlighted in the book by Al-Habshi *et al.*, who explain the manner in which it can enhance the production of quality service in an organisation. According to the authors, by creating a sense of belonging towards an organisation the management may strengthen the will of the individuals to meet times of ease as well as hardship in a manner that would ensure the survival of the organisation. To establish effective leadership, the best available personnel should fill the organisation and this could assist its maximum return.

The book continues by explaining the importance for a leader to be just in distributing the tasks among the employees and in providing due recognition, where it is due. Duties should be distributed according



to the responsibilities and capabilities displayed by each individual employee. It is important for a leader to set a good example so that the employees would be encouraged to emulate him. A leader should be able to enable individuals in the organisation to reach their potential by recognizing their diversity and taking the necessary steps to exploit the prevailing diversity in order to get the maximum advantage and results. The best examples of good leaders and management in the history of Islam can be found in the characters and behaviors of Sayyidina Umar Al-Khattab and Sayyidina Ali ibn Abi Talib.

In a summary, this book, *“Islamic Management for Excellence”* is interesting and would benefit those who are curious or keen to learn and practice management from the Islamic perspective. However, there is some room for improvement in a few areas of the book. A book, such as this compiled from chapters written by different authors, exhibits a disruption in the flow of writing, as the various writers have their own particular a style of writing and elaborating. Therefore, in this respect, focusing on and completing reading the book has not without difficulties, as each chapter is approached differently. Further, the content of the book is mainly based on the opinion or idea of the individual authors. Their points are not sufficiently supported by references to literatures by other researchers; credible literature should have been quoted to convince the readers. Although the authors quote the Hadith or sentences from the Holy Qur’an, the exact source of the Hadith or the exact verse from which the quotations are selected is not stated. Lastly, the style of writing by the authors fails to attract the reader. Further, the earlier chapters of the book are for instance not important and quite uninteresting, as they mainly evolve around matters that are common knowledge to most people. However, in spite of this criticism of the book, the contribution made by the authors to the issue of Islamic management should not be ignored. The authors have managed to prove that Islam is a complete religion and covers all aspects of human life.

Precious but very little information is available regarding the Islamic perspectives to management. Therefore, below are documented very briefly some of the works related to the exploration of the Islamic



perspective to management at hand, which offer an idea of what might be available in the event one attempts to embark on a study on strategic management from the Islamic perspective. Some representative works that are basic in nature are offered, as they address the fundamental issues of theory in management (also administration).

Ahmed Ebrahim Abu Sin identifies in his work the basic particulars or postulates of Islamic administrative theory in terms of its emphasis on all the variables and factors that affect the administrative cycle in an organisation and its understanding of individual behaviour in the light of social and cultural factors. Ibn Omer Mohamed Sharfuddin highlights various aspects of management of organisations, such as the concepts of *Shurah* (mutual consultation), *Nasiha* (advice), conflict resolution, the view of work and task performance, as a religious obligation, the view of merit system in recruitment and promotion, the concept of motivation, the view of mutual trust between management and employees, and application of control and authority. In his work, Mahmood A Moursi focuses on self-management, the management of people, the management of business transactions, and the management of time from the Islamic perspective. Azaddin Salem Khalifa presents certain original and innovative perspectives to strategic management in his work, where he applies the three Islamic concepts of *Falah* (good deeds), *Hikmah* (wisdom), and *Rizq* (anything bestowed by Allah that is of beneficial use) through the proposition of a normative framework of business enterprise and behavior. Besides above works, some general works related to management and administration, such as by Al-Buraey is also available.

As can be noted, in regards to the issue of management and administration from an Islamic perspective, much emphasis is on basic issues, such as ethics, leadership and issues related to behavioral aspects of organisations. Few sources focusing on the Islamic perspective to operational areas of management, such as quality management, marketing and selling or performance appraisal of employees are available. With time, the body of literature pertaining to the Islamic perspective of a



variety of areas within the management of organisations is likely to increase.

## ISLAMIC ETHICS AND QUALITY MANAGEMENT

*Ethics in Business and Management: Islamic and Mainstream Approaches* a book dealing with management and edited by Khaliq Ahmad *et al.*, (2002) explains the importance of ethics in business and management. This matter was also strongly underlined by the editors of the book, which addresses the issue of the importance of sustaining real Islamic values in a world of rapid and traumatic changes, without holding up modernisation and development.

The book deals with the Islamic ethical system in economic behavior, and highlights the various issues confronting business, today. Besides discussing business ethics and the social responsibility of businessmen from both the conventional and Islamic viewpoints, a possible dimension of ethical behaviors in management is explored. Due emphasis is also given to the role of leadership from the conventional as well as the Islamic perspectives, and discussions on the value-charged leadership, which presupposes that an Islamic leadership is also presented.

With a comparative and complementary approach in its presentation, the book enables a generation of thought provoking issues. This could pave the way for a more effective and humane approach to ethics in business and management.

The concept of quality is an essential aspect of effective management and its appreciation highly depends on prevalent social values. Muslim societies have yet to make their contribution toward quality management systems. Until recently, the Malaysian market in general and the local Muslims in particular lack the means and tools so far for the certification of quality from an Islamic perspective. The magnitude of this lack becomes more apparent when applied in the food processing industries, where the Muslims are to be very concerned about the quality of all edible products from a *Shari'ah* perspective.

*Issues in Quality Management: ISO in Relation to Islamic Standard*, another publication by Khaliq Ahmad *et al.*, (2003), explains



the importance of the concept of quality in business and management. According to the authors, implications of the application of Islamic values, while defining quality standards in the global market, have yet to be acknowledged. In response to this, the Islamic Standard Institute (ISI) - 2020 was established in Malaysia to cater for the needs of the Malaysian society and, eventually, the needs of the Muslim *Ummah* worldwide. The above publication is the outcome of an empirical study based on a sample survey conducted to investigate the perception of managers and executives towards the implementation of ISO 9002 or ISI 2020 in their respective organisations. The findings suggested that, the integration of these competing two quality yet parallel systems would bring about better results.

The findings favorably supported the two-quality systems in general. The response provided by the executives during the survey, was that the alternate quality systems are applicable and have provided great benefits toward their organizations. However, in the opinion of practicing managers and executives, the level of correlation between ISO 9002 and ISI 2020 is still low. This might be due to the fact that ISI 2020 itself, as an establishment is still new and not promoted nationwide. Managers and executives, especially non-Muslims, are not yet familiar to this system. Hence, it is rather early to make recommendations for ISI 2020, as an alternative to the existing ISO 9002. As mentioned, there is much room for improvement, before ISI can be applied as a viable alternative quality management.

Lastly, there may be a number of limitations to this study. The Islamic Standard Institute (ISI) is still fresh compared to the current ISO. Hence, the study may not be able to provide all required data and thus, the information collected may not be sufficient for a valid and detailed analysis. The ISO series itself is evolving and has yet to be perfected. Most corporations that formerly acquired the certification for the sole purpose of ensuring the quality of their products have been required to reapply under ISO 9000-2000, a new version that was recently implemented. Therefore, additional certification exercises might be inevitable, implying that the previous ISO 9000-1994 version is inadequate



to ensure quality. The entire issue of quality certification appears to become a never-ending process and, therefore, the findings of this study may quickly become outdated.

The main limitation of the study is that very few organisations had adopted the Islamic Standard and thereby a limitation of sample size is very likely. Thus, for a more valid and detailed result, future studies on this issue are recommended to look into a larger number of organisations applying Islamic systems in their quest for comprehensive quality management.

In regards to the issue at hand, Islamic Ethics and Quality Management, there is much work available and the list is exhaustive. Therefore, a list of the titles, name of authors and publishers is provided at the end of this chapter.

Following the review of the above publications, the provision of some comparative and contrasting views for a better understanding in regards the major differences separating the conventional approaches to management from that of the Islamic approach might be essential. A work by Azhar Kazmi (2004), entitled "A Preliminary Enquiry into the Paradigmatic Differences among the Conventional and Islamic Approaches to Management Studies" and which can be considered a landmark in this field, is reproduced in the table 2.1 below for the benefit of the readers.

### **SUMMARY**

A need for knowledge in Islam especially applicable within an organisational setting is increasingly becoming more important. Islam stresses the view of cooperation and a sense of collectiveness in any organisational environment, as the religion cannot be practiced in isolation. Few Muslims are well versed with the right according to Islam and most accurate method according to Islam, in achieving the objectives of the organisations of their choice, including business organisations. The Islamic evolution has made remarkable and essential contributions in many areas of human life. To achieve these objectives, the teachings of Islam have provided the Muslims a strong principle and guidelines to live by.



**TABLE 2.1**

Criteria differences	Islamic Management	Conventional Management
The purpose of human existence dictating management of organisations	The purpose of human existence is to obey and fulfill Allah's commandments and act as the Vicegerent of Allah on earth	The purpose of human existence is to utilise natural resources to satisfy one's needs, wants and desires and to remain happy
The purpose of an organisation	Organisations are meant to be groups of people coming together for attaining the purpose of human existence that is to obey and fulfill Allah's Commandments and to act as His Vicegerent on earth.	Organisations are meant to be groups of people coming together to attain the goals of an organisation.
The paradigm guiding the management of organisations	No demarcations between matters, secular and religious; human life is an organic whole; All human activities can be <i>Ibadah</i> provided that they are following the guidance of Allah's Commandments.	Clear demarcations between matters, secular and religious; human activities are separated; the spiritual or religious aspect is a private matter of individuals, while work belongs to the public domain
The nature of organisational objective	Organisational objectives are of both economical and non-economical in nature and are subservient to higher purpose of human existence.	Organisational objectives are of both economical and non-economical in nature and are subservient to organisational interests.
Source of ethics and values governing the management of organisations	The Revealed knowledge and the traditions of the Prophet (SAW) constitute the ultimate sources of business ethics and personal values.	Ethics is relative and values are derived from multiple sources such as upbringing, values cherished by the society, and personal experiences. Ethics could be relative, as according to utilitarianism.



## LITERATURE ON MANAGEMENT

Motives for human work	Human beings will perform work to satisfy their material and spiritual needs in conformity with the Divine Regulations.	Human beings will work to satisfy the organizational objectives and in turn may receive compensation to satisfy their personal material needs.
Motivation to perform work	Motivation for work is derived from the satisfaction one gets by fulfilling the Commandments of Allah that is the greatest satisfaction apart from satisfaction of the basic human needs; the satisfaction is internal to each human being.	Motivation for work is derived from satisfaction received by fulfilling his or her material needs; the satisfaction is both internal and external to each human being.
Concept of time affecting organisational planning	Time is infinite and polychronic. A Hereafter follows the present life of the human being.	Time is finite and monochronic. Life has a past, present, and a future within a cycle of a lifetime of a human being.
The conception of resources	Resources come from Allah and are naturally available. They are to be shared with the needy and not meant to be hoarded. Usage of resources is regulated according to the Divine laws.	Resources are naturally available, but scarce, limited, perishable, and are shared on the basis of self-interest or mutual rivalry. They are meant to be exploited for the benefit of humankind.
The organisational control	Organisational control should operate in the manner designed for the human being to become subservient to the Will of Allah.	Organisational control has to operate in the manner designed to align objectives of the employees, such as need for income with organisational objectives, such as profitability.
The locus of control	The locus of control is internal, in addition to the external. Each person is responsible and accountable for his actions.	The locus of control is external and lies in the realm of the organization.
The organisational responsibility and accountability.	The human being has choice, free will and freedom of action, and is therefore responsible and accountable for all actions.	The total responsibility and accountability is vested in the chief executive, who delegates matters to lower levels. The control of employees is executed through organisational systems to ensure responsibility and accountability.

Source: Azhar Kazmi, (2004). Paper presented in an international conference. Brisbane, Australia



In this contemporary world, ethics has become a big issue for discussion, covering all aspect of human life from social and to corporate culture. The Islamic theory seems to approve the notion of satisfaction and dissatisfaction. Although employees may receive less salary for their input at work compared to similar work in secular organisations, those employed by Islamic organisations tend to experience more satisfaction. This theory views work as an obligation for every able man and woman.

Very little early literature is available regarding management from the Islamic perspective. However, in this chapter some works related to the exploration of the Islamic perspectives of management have been cited to give the readers an idea of what might be available, when one wish to embark on a study on the issue of management from the Islamic perspective. The list of titles is given at the end of this chapter in an annexure.

### QUESTIONS

1. What are the Islamic principles of business organisation? Briefly discuss each principle?
2. What are the modules of leadership from the Islamic perspective? Briefly, discuss each module?
3. Discuss the importance of Islamic ethics to quality management.
4. Quality management is the real essence of management from an Islamic perspective. Comment.
5. Draw a list of issues covered by many authors of management from the Islamic perspective.
6. Compare and contrast the elements of management from the conventional and the Islamic perspectives.



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ANNEXURE - A: LIST OF TITLES

S.N.	Author	Title	Place/Publisher	Year
1.	Abdel Rahman, A.A.	An Islamic Perspective on Organizational Motivation	American Journal of Islamic Social Sciences, 12(2): 185-203	1995
2.	Abul-Fazl Ezzati, A.	The Concept of Leadership in Islam	<i>Al-Nahdah</i> 2 (2):24-29	1982
3.	Abu Sin, A.E.	Islamic Administration	Dubai: The Contemporary Press	1981
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6.	Al-Burayy, M.A.	Management and Administration in Islam	Al-Dharan: Saudi Arabia	1990
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9.	Khalifa, A.S.	Towards and Islamic Foundation of Strategic Business Management	Kuala Lumpur: IIUM	2001
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## *Chapter 3*

# **ENVIRONMENT AND THE CORPORATE CULTURE**

These topics and sub-topics are given in the beginning of the chapter for the quick reference and easy access by the readers. In addition, the chapter begins with an introduction and ends with a summary followed by relevant questions and references. This chapter discusses the following topics.

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## INTRODUCTION

Managers, being the Creator's (Allah) vicegerent on earth, have been created so that they would be able to act on His behalf to manage the whole Creation. In order to carry out this significant mission, man has been endowed with great potentialities. Through a systematic thinking and deepening of the understanding of spiritual life, man would develop these potentialities and acquire a sublime character and personality. Pessimism and evil thoughts would, by contrast, cause him to develop an evil character, or, as a third alternative, should he not build his personality by developing his potentialities in accordance with the Commandments of his Creator, he would "rot away," with no meaningful contribution to his community.

To the Muslims, the environment is, like man, part of God's Creation. Its role is dual in nature that is: to worship its Creator and simultaneously to be of service to the manager, man, so that he may smoothly in an undeterred manner carry out his or her honourable task being the vicegerency on earth. A manager is to live his life on earth for a certain period of time, a time set which Allah divulges to nobody. Following this man is to return to his Lord and to be held fully accountable for whatever legacy he has left behind. Among the matters that a manager will be held accountable for upon his departure from this world is the manner in which he managed his surroundings on earth, comprising both animate and inanimate beings.

Islam considers a manager's relationship to the environment so vital and essential that, in some instances, it may override in importance his other deeds and either elevate him to the highest level or driving him down to the lowest point. This is so due to the rule set, that he, who loves God and cares about Him and His injunctions will certainly love and care about the rest of His Creations, with which he coexists. Similarly, he who turns away from God and rebels against His Words of guidance will certainly, intentionally or otherwise, results in looking upon his natural surroundings as an object for his endless exploitation, taking therefrom everything possible, and offering only little or nothing in return. In the latter case, on the Day of Judgment, the manager will not only be a loser



and completely ruined, but will even in this world be continuously troubled by a myriad of various kinds of adversities, which on account of his unscrupulous actions will force him to be compelled to a life of despair. The truth did the Almighty God say: "By the time, verily man (manager) is in loss, except such as have Faith, and do righteous deeds, and (join together) in the mutual enjoining of Truth, and of Patience and Constancy" (Al-'Asr 1-3). Further: "If the people of the towns had but believed and feared Allah, We should indeed have opened out to them (all Kinds of) blessings from heaven and earth; but they rejected (the truth), and We brought them to book for their misdeeds" (Al-A'raf 96).

### THE CONCEPT OF THE ENVIRONMENT IN ISLAM

In Islam, all things have been created with a purpose, in proportions and with measures. With regards to the environment, as mentioned above, being one of God's Creations, its role is dual: to worship its Lord and Creator and to be subjected to the manager, whom it surrounds. As for the former, Allah says: "Seest thou not that to Allah prostrate all things that are in the heavens and on earth, the sun, the moon, the stars, the hills, the trees, the animals, and a great number among managerkind ? But a great number are (also) such as unto whom the chastisement is justly due. And such as Allah shall disgrace, none can raise to honor: for Allah carries out all that He wills" (al-Hajj: 18).

Concerning the issue of the subjugation of the environment to man to facilitate him, as His manager, this is a sign of the "managerifestation" of God's immeasurable mercy over him. Lest man would be unable to smoothly and responsibly carry out his duties, as *Khalifah*, God did not send manager to earth, until he was fully prepared; nor did He send him/her until the earth was fully equipped and set to accommodate him. The Holy Qur'an speaks to this effect accordingly: "O ye people! worship your Guardian Lord, Who created you and those who came before you that ye may become righteous; Who has made the earth your couch, and the heavens your canopy; and sent down rain from the heavens; and brought forth therewith fruits for your sustenance; then set not up rivals unto Allah when ye know (the truth)" (Al-Baqarah: 21-22).



“It is Allah Who hath created the heavens and the earth and sendeth down rain from the skies, and with it bringeth our fruits wherewith to feed you; it is He Who hath made the ships subject to you, that they may sail through the sea by His Command; and the rivers (also) hath He made subject to you. And He hath made subject to you the sun and the moon, both diligently pursuing their courses; and the Night and the Day hath He (also) made subject to you. And He giveth you of all that ye ask for. But if ye count the favours of Allah, never will ye be able to number them. Verily, manager (man) is given to injustice and ingratitude” (Ibrahim: 32-34). And He has subjected to you, as from Him, all that is in the heavens and on earth: behold, in that are Signs indeed for those who reflect” (Al-Jathiyah: 13).

### **THE EXTERNAL ENVIRONMENT OF AN ORGANISATION**

Effects of taking place in the external environment of an organisation are highly influential on its behavior, as well as on the managerial performance, and at times, these effects may go beyond the control of the managers. The external environment comprises two layers: the general environment and the task environment.

#### **The General Environment for Managers**

In regards to the first layer of the external environment of an organization, the general environment represents the outer layer of its environment. This layer will influence the organisation over time, but may often not be of much cause for impact on day-to-day transactions. The general environment in turn comprises various dimensions, elements, such as technology, socio-culture, economical and legal-political matters.

#### **The Technological Environment**

Within the technological environment, which according to the above is an element of the general environment, technology plays an important role in the contemporary Islamic environment of management. In order to achieve efficiency in task performance, technology has to be applied in daily life. The term “technology” could not to be found in the Qur’an



or in the Prophetic traditions. It has Greek and Latin origins and the word “technology” is derived from the Greek word “tekhnologia” and the Latin word “technolo-gia,” which can be broadly translated into “a systematic approach in doing things” (Saifuddeen, 2003).

Since the word “technology” does not have its origin in the Arabic language, it may be rather clear that it could not be found in either the Quran or the Hadith. However, this fact does not imply that the usage of the term “technology” is not mentioned in these two important sources of reference for the Muslims.

By looking more deeply into the Quran as well as the Hadith, many instances can be found whereby the concept of “technology” is mentioned. These instances may be rather subtle in nature, therefore, a deeper analysis of the term would prove that the usage of technology is somehow implied.

The Quran mentions for example various technologies found to have been applied throughout human civilisation, such as ship-building, navigation, metallurgy, construction and information, and communication technology (ICT).

The Islamic point of view is different, somehow made to be rather implicit. The Quran generally states that Allah (swt) created man, and the things he produces. In the anal of Noah (pbuh), as narrated in the holy Quran, Allah (swt) commands him to build the Ark (Khalid, 2002): “But construct the Ark under Our own eyes and Our Revelation and plea not with Me regarding those who committed injustice, they will surely be drowned. And so, he proceeds to make the Ark” (Hud: 11:37, 38). In this verse the term “technology” is not explicit stated, nonetheless, from the context, it can be deduced that in order to build an ark, which could simultaneously withstand a stormy weather and carry many people and animals without sinking, would require the appropriate knowledge in shipbuilding by the builder. Allah (swt) also taught Dawood (pbuh) to manufacture battle equipment: “It was We Who taught him the making of coats of mail for your benefit, to guard you from each other’s violence: will ye then be grateful?” (Anbiya’, 21:80)



The above knowledge makes reference to “technology.” Islam always stresses the importance of seeking and mastering knowledge, and thus in this particular regard, the importance of seeking and mastering knowledge in the field of technology is being stressed. Mastering knowledge is a fact that has always been the prerequisite for the advancement of any human civilization; and the same fact still rings true. From the point of view of mastering knowledge in the field of technology, and what is transpiring in the contemporary world, it appears that “he who possesses technology controls the world.”

Much has been said of the importance for the Muslims to learn to master technology, but sadly, little has been achieved in this regard. As a result, the Muslims often find themselves being belittled and left behind in all areas. Muslims should realize that knowledge — and knowledge in technology in specific — would benefit the Muslim world at large.

Islamic moral values developed under the direction and guidance of the Quran, and the teachings of the Prophet (SAW) produced generations of scholars, whose contributions made the greatest impact on modern science and technology, and the inventions that followed. The first flying machine ever designed was neither by Roger Bacon nor by Leonardo Da Vinci, but by Abbas Ibn Firnas. It was al-Hassan Ibn al-Haytham, who studied the phenomenon of light much prior to the time of Newton and Galileo. It was al-Biruni, who discovered the law of “conservation of mass” 700 years before Lavoisier. References should further be made to Jabir Ibn Hayyan and not to Boyle, to al-Khawarizmi and Thabit Ibn Qurrah, who were mathematicians of the greatest caliber of their time, and not to Descartes and Napier. History, as taught in the West, is aimed at presenting the Europeans, as the master race. Muslim names are Latinized and their contributions are attributed to others (Khalid, 2002). Facts are falsified and made obscure. In the light of the above, and in regards to contributions made by early Muslims, contemporary Muslim managers should begin to apply science and technology and thus make it a point to gain all the knowledge possible in the field of technology currently available and apply it in the right way, whereby it may be to the benefit of the Muslim Ummah, and not for its destruction.



### **The Socio-Cultural Environment**

In the contemporary socio-cultural environment, another aspect of the general environment, the manager easily tends to become absorbed by material progress rather blindly without much concern about matters and is yet to open his mind towards the understanding of the very implications of his behavior for the purpose of future existence. Nor does he appear to take an interest in doing so. This may be understood against the background of the sharp differences within the spheres of the existing philosophies of nature from within which the dealings of the manager may stem.

### **The Socio-Cultural Context in Islam**

- Civilisations, culture, tradition, customs, mores, and way of life have been perennial issues in Islamic societies and their history.
- From the pagan culture that he was born into, the Prophet (SAW) was guided by the injunctions of the Holy Quran and through his own demonstrations in terms of actions and words, he raised the level of the Arab society into a highly civilised Islamic nation.
- Such a remarkable feat, supported and guided by the Divinity of Allah, was accomplished in a rather short period of time.
- This event must be considered an historical miracle as never experienced before and following which has such a transformation of a society ever taken place on such a large scale and in so little time.
- The cultural transformation in Mecca and Medina has become a model for future Islamic nations to follow in their course for development and progress.
- As regards the wide range of matters relating to human existence, from simple actions of daily life, such as performing ablution and to higher philosophical matters of life, the sources of revealed knowledge provide information.
- Islam came as a ray of light and hope for the human society in times of what historically has been considered “the dark ages.”



- For more than five centuries the religion set the course for the world in terms of laying the foundation for a civilised society. Christians, Jews, people of other religions and civilisations benefited much from Islam. The contribution of Islam to the European renaissance period is well documented in history and acknowledged by non-Muslim historians and orientalists.

With such a rich heritage, the sources of Islamic revealed knowledge offer much information in terms of what an ideal civilisation and culture should be. Probably, a most significant contribution that Islam has made in this respect is by defining the relationship between Allah (SWT) and human beings, human beings and the society, and between human beings and other human beings, as elaborated below:

### **ALLAH AND MAN**

Few persons in managerial positions today are willing to accept the fact that the possibilities for peace in a huma-managed society is minute, as long as the attitude towards the nature and the whole natural environment appears to be aimed towards exploitation, aggression and war. Likewise, few persons in managerial positions are blessed with a state of mind as to realise that in order to establish this peace with the environment, man must first be in peace with the spiritual order, Allah and His creation. In other words, one might say, that to be at peace with earth one must also be at peace with heaven (Hossein, 1986). The relationship between a modern manager and the environment has been described as one between a manager and a prostitute, whereby the latter is treated by the former as something to be used and enjoyed to the fullest possible: "Rather than being like a married woman from whom a manager benefits, but also towards whom he is responsible. The nature to modern manager has become like a prostitute - to be benefited from without any sense of obligation and responsibility toward her" (Hossein, 1986).

### **MAN AND THE STATUS OF MAN IN THE SOCIETY**

A manager, according to Islam, is not a fallen being as asserted by Christianity (Genesis 3:1-19), and human existence on earth is not a



sentence passed on him or her by God on account of what transpired between Adam, the first manager, and his wife Eve, the first womanager, in the Garden of Eden. Rather, a manager is God's Vicegerent on earth entrusted with the honourable task of inhabiting it in accordance with the Divine guidance provided. This terrestrial life serves humans as a platform for either elevating their status over that of the angels, should they abide totally by the Divinely prescribed rules and regulations, or for debasing themselves to a rank lower than that of the animals, should they turn away from God, dazed and lost, wander aimlessly amid the innumerable and awesome wonders of this world. Allah says: "Behold, thy Lord said to the angels: I will create a vicegerent on earth." They said: "Wilt Thou place therein one who will make mischief therein and shed blood? Whilst we do celebrate Thy praises and glorify Thy holy (name)?" He said: "I know what ye know not." And He thought Adam the names of all things; then he placed them before the angels, and said: "Tell Me the names of these if ye are right." They said: "Glory to Thee: of knowledge We have none, save what Thou hast taught us: in truth it is Thou who art perfect in knowledge and wisdom." He said: "O Adam! tell them their names." When he had told them their names, Allah said: "Did I not tell you that I know the secrets of heaven and earth, and I know what ye reveal, and what ye conceal?" (al-Baqarah, 30-33).

### MAN AND THE COMPOSITION OF MAN

According to Islam, a number of aspects serve, as the foundation on which the concept of humanity ultimately rests, as listed below:

- Islam considers the human being, as an individual in its total, wherein his/her material and spiritual needs are united together, as one. There is no artificial distinction between the two, as maintained by other cultures.
- Allah (S.W.T.) is the Ultimate Source of all values that shape the socio-cultural context. His Divine Attributes such as Love, Wisdom, Truth, Beauty and Justice are the basis for the formation of desirable human values.



- The concept of “life after death” creates continuity in the creation of man and prevents human beings from becoming excessively materialistic.

## THE ECONOMIC ENVIRONMENT

Islam provides guidance to its adherents in all phases and activities of life, in matters material as well as spiritual. Its basic teaching with regard to economical matters within the economic environment, another aspect of the general environment, is mentioned in several passages of the Qur'an. Far from rejecting man's material well-being, the religion recognises (4:5) the following: “... your goods which God has made as the very means of your subsistence...” and it gives the order to man: “and neglect not thy portion of this world.” (28:77) However, in the statement, an emphasis is made on the dual composition of a manager, as mentioned above by reminding man: “So when ye have accomplished your holy rites, celebrate the praises of Allah, as ye used to celebrate the praises of your fathers, yea, with far more Heart and soul. There are men who say: ‘Our Lord! Give us (Thy bounties) in this world!’ but they will have no portion in the Hereafter. And there are men who say: ‘Our Lord! Give us good in this world and good in the Hereafter, and defend us from the torment of the Fire!’ “To these will be allotted what they have earned; and Allah is quick in account,” (2:200-202). In other verses of the Qur'an one may find stated plainly, and definitely that, all that is found on the earth, in the seas and even in the heavens has been created by God for the benefit of the man (manager) or that all that is on earth, in the heavens, the ocean, among the stars as well as other matters has been made subservient to the manager by God. Thus, the manager is to seek all knowledge possible about the Creation by God, to be able to enjoy the benefits generated from it and do so in a rational manner, while at the same time paying due regard to the future.

The economic policy according to Islam has also been explained in the Quran and in the most unequivocal terms: “What Allah has bestowed on His Messenger (and taken away) from the people of the townships,



belongs to Allah, to His Messenger and to kindred and orphans, the needy and the wayfarer; In order that it may not (merely) make a circuit between the wealthy among you. So take what the Messenger assigns to you, and deny yourselves that which he withholds from you. And fear Allah, for Allah is strict in Punishment." (2:275-276). Equality among all men in terms of wealth and comfort, even if that might be the ideal condition, would not guarantee the absolute good to humanity. Since natural talents are not equally distributed among men, should a group of persons enjoying complete equality be formed, very soon the spendthrift would fall into difficulties and continue to view the fortune of his comrades with greed and envy.

The above is the fundamental principle and the basis on which Islam has constructed its economic system. Thus, where the religion tolerates the minority of the rich, it does impose on them heavy obligations, such as they are to pay taxes in the interest of the poor, and they are prevented from immoral practices, such as exploitation, hoarding and accumulation of wealth. To this end, the religion offers some orders or injunctions, as well as some recommendations accordingly-charity and sacrifice - with the promise of spiritual (and/or worldly) rewards. The religion further makes a distinction between, on the one hand, the necessary minimum and the desirable plenitude, and on the other, between those orders and injunctions, which are accompanied by material sanctions and those, which are not, but for which Islam, however, contents itself simply by recommending persuasion and education.

Islam is a complete way of life, and Allah's Guidance extends into all areas of man's life. Islam has provided detailed regulations for the economic life of the Muslims, which is balanced and fair in nature. Muslims are to recognize that wealth, earnings, and material goods are the Properties of God, and that man is merely His Trustees. The principles of Islam aim at establishing a just order in society, wherein everyone would act with responsibility and honesty. The fundamental principles of the economic system according to Islam are as follows:



- Muslims are discouraged to deal in interest: *"Those who devour usury will not stand....Allah has permitted trade and forbidden usury.... Allah will deprive usury of all blessing, but will give increase for deeds of charity...."* (3:130) *"O you who believe! Devour not usury, doubled and multiplied. But fear Allah, that you may really prosper"* (7:85). This statement implies a prohibition by God against the issue of taking interest to be applied on all interest-based transactions, whether it is a matter of giving or receiving, whether one is dealing with Muslims or non-Muslims. It is reported that the Prophet Muhammad (SAW) cursed those who paid interest, those who received it. Those, who wrote a contract based on it, and those who witnessed such a contract.
- To gain property or wealth by fraud, deceit, theft, or by other means of falsehoods is forbidden: *"...Give just measure and weight, and do not withhold from people the things that are their due. And do not do mischief on the earth after it has been set in order. That will be best for you, if you have faith"* (4:2).
- It is particularly despicable for a guardian to take from the property of an orphan: *"To orphans restore their property (when they reach their age). Do not substitute your worthless things for their good ones, and do not devour their property by mixing it up with your own. For this is indeed a great sin"* (5:90).
- Forbidden are earnings made through gambling, lotteries, and the production, the sale, and the distribution of alcohol: *"O you who believe! Intoxicants and gambling, sacrificing to stones, and divination by arrows are an abomination of Satan's handiwork. Eschew such abomination, that you may prosper"* (3:180).
- It is unlawful for Muslims to hoard food and other basic necessities. Everyone should be allowed what is necessary and no more: *"And let those who covetously withhold of the gifts which Allah has given them of His Grace, think that it*



*is good for them. No, it will be the worse for them. Soon it will be tied to their necks like a twisted collar; on the Day of Judgment. To Allah belongs the heritage of the heavens and the earth, and Allah is well-acquainted with all that you do"* (25:67).

- A Muslim should be responsible in his /her spending of money. Extravagance and wastage of matters are strongly discouraged: *"[The Servants of Allah are] Those who, when they spend, are not extravagant and not stingy, but hold a just balance between those extremes"* (7:31). *"O Children of Adam! Wear your beautiful apparel at every time and place of prayer. Eat and drink, but waste not by excess, for Allah loves not the wasters"* (98:5).
- Payment of Zakat (alms): *"And they have been commanded no more than this: to worship Allah, offering Him sincere devotion, being true in faith. To establish regular prayer, and to give zakat. And that is the religion right and straight"* (64:15-16). Any Muslim who owns wealth in greater amount or of greater size than what is necessary to meet his or her needs, must pay a fixed rate of Zakat to those in need. Zakat is a means of narrowing the gap between the rich and the poor, and to ensure that the needs of everyone's are met.
- Muslims are encouraged to constantly offer charity: *"Your riches and your children may be but a trial. Whereas Allah, with Him is the highest reward. So fear Allah as much as you can, listen and obey, and spend in charity for the benefit of your own souls. And those saved from the selfishness of their own souls, they are the ones that achieve prosperity."* The Prophet Muhammad (SAW) once said that "nobody's assets are reduced by charity."

## THE LEGAL AND POLITICAL ENVIRONMENT

The legal and political environment of an organisation plays an important role in its management viewed from an Islamic perspective. However,



the following discussion on the issue is based on the outcome of an exploration of studies conducted in the Malaysian context. (Refer to endnotes)

Islam has been declared, as the official religion of Malaysia in the Federal Constitution. This, however, does not imply that Malaysia is a theoretical Islamic state, which is implementing Islamic law in its complete form. Malaysia is currently practicing a dual system, that is, the general law (mainly based on the English common law) and the Islamic laws, mainly confined to the personal law of marriage, divorce and inheritance for the Muslims.

The Federal Constitution in Malaysia offers the provision that the power to administer Islamic law in its limited jurisdiction of personal law and other matters affecting the Muslim religion primarily rests with the state government. Pursuant to this power, the State Legislative Assembly with the approval of the State Ruler passed the individual Administration of Islamic Law Enactment for each respective state in Malaysia. In general, most of the provisions in the state enactments are similar in terms of wordings and contents. Yet, there are some notable differences in the provisions of some states, as well as in the application of certain terms and names by the state authorities and committees.

In the studies conducted on the issue, three important institutions established under the enactments. They are: the Council of Muslim Religion; the *Mufti* and *Fatwa* Committee; and the *Shari'ah* Courts. The division of powers among the three institutions, according to the studies, was found to be rather clear-cut. The Council of Muslim Religion aids and advises the King (*Yang DiPertuan Agong*) or the Ruler (Sultan) of the individual states in respect of all matters relating to the religion of Islam in their respective territories, except for matters of Islamic law in particular and those relating to the administration of justice. The *Muftis* and their respective *fatwa* committee shall aid and advise the King or State Ruler in respect of all matters of Islamic law and shall be the chief authority in their respective territories after the King or Ruler in all such matters. In fact, gazetted rulings made by the *Mufti* or *fatwa* committee is binding on all Muslims residing in the respective states. The *Shari'ah*



Courts comprise three layers the *Shari'ah* Subordinate Court, the *Shari'ah* High Court and the *Shari'ah* Court of Appeal-responsible for the administration of justice. Aided by the other state enactments on substantive and procedural laws, the *Shari'ah* Courts have the judicial duty of interpreting and applying Islamic law.

In this context, it should be noted that the *Shari'ah* Courts can hear only proceedings between Muslim parties and not otherwise. In such cases, whereby one party is a Muslim and the other partner is a non-Muslim, the *Shari'ah* Courts have no jurisdiction and any matters concerning the two parties would have to be brought before the civil courts.

### THE RULE OF THE *MASLAHAH*

In matters of Islam, in regards to personal law and worship, as well as daily issues in terms of *halal* and *haram* the *Shafi'ie madhhab* is still the dominant *madhhab* and would remain so at least in the near future. Views from other *madhahib* are regarded as a last resort in most cases, such as, when the *Shafi'ie's* views are a cause for hardship or stand contrary to the need of the people or the public interest. In respect to this area of the law, the point would usually be to take all the views held according to the *Shafi'ie madhhab* into consideration, including those weaker in nature and apply them, where applicable. Views held by other *madhahib* would only be referred to, when all the views held by the *Shafi'ie madhhab* stand contrary to the public interest (*maslahah*).

However, in other areas such as a commercial transactions and finance, a clearer pattern of detachment from the *Shafi'ie madhhab* is evident. The stricter *Shafi'ie* rulings on managerial aspects of commercial transactions may prove impractical to be applied to a management. The development of harmonisation and formation of new rulings in this regard has, however, been very encouraging. Malaysia has, for example, been one of the leading countries in terms of producing and introducing new Islamic financial instruments into its market. However, the recognition of the fruits of these efforts has not been very straightforward. A real problem can be found lying in the standardisation of the legal reasoning



process in the particular area, where products and instruments approved in Malaysia are occasionally disapproved by other countries. With the advancement of the financial and economic globalisation, the need for an accepted *Shari'ah* standard set for Islamic financial instruments would be vital. Without standardisation and uniformity, Islamic finance would find it difficult to meet the challenges of competition and globalisation.

Another finding from the abovementioned studies was in terms of the attitude and mind-set of the persons involved directly in producing legal opinions and rulings. The majority were not yet prepared to go directly to the *Shari'ah* sources, in the original *ijtihad*, and they did not regard the *madhahib* indifferently and thus made their decisions mainly based on the strength of *hujjah* and *dalil* (*tarjih madhhab*). This is particularly true in the institution of *Mufti* and *fatwa*. The *fatwa* issued by the *Shari'ah* panels for the financial institutions were, however, more progressive in this regard, though the exercise of *tarjih madhhab* over direct and original *ijtihad* was still in favour.

Subsequently, in the beginning of the twentieth century, Johore undertook an unusual step in translating and adopting the Turkish and Egyptian compilation of Islamic Law, despite their *Hanafi* origin. Thus, the Turkish civil law compendium, *Majallah al Ahkam* was translated as the Johore *Majallah Ahkam* and the *Hanafi* Code of *Qadri Pasha* in Egypt was adapted and translated as the *Ahkam Shar'iyah* of Johore.

Currently, the codification and legislation of Islamic law in Malaysia is carried out in accordance with the provision of the Malaysian Federal Constitution, as explained above.

However, the provision for the final reference to Islamic law or *hukum syarak* in the substantive and procedural legislation is reserved more for the *Shari'ah* Court judges, who are the persons responsible for the interpretation of the enactments. This conclusion is in line with the suggestion made by the late Professor Ahmad Ibrahim (2000), who said that in practice, the *Shari'ah* Courts have to refer to all the sources of Islamic law in their interpretation of the statutes, and not necessarily only to the *Shafi'ie madhhab*. Yet, the power of the *Shari'ah* Court to refer to the views held by all recognised *madhahib* depends on and



should be guided by the needs of the parties concerned in the case before it. If for instance, the parties in the proceedings belong to a particular *madhhab*, views held by that *madhhab* should be given priority for the benefit of the parties involved.

Unfortunately, the more flexible approach towards the issue of referencing in the decisions of the *Shari'ah* Courts is not applicable to the institution of *Mufti* and *fatwa* in Malaysia. In regards to *Muftis* and *fatwa* committees, all of the state Administration of Islamic Law Enactments (except Perlis) prescribe a set of priorities in regards to referencing to the authorities on Islamic law, which requires the reference to be made first to the *Shafi'ie madhhab*, following that to the other *madhahib*, and only then to personal *ijtihad*. The Selangor Administration of Islamic Law Enactment 1989 for example, prescribes in section 36 the following:

- (1) In issuing any *fatwa* under section 31, or certifying any opinion under section 35, the Mufti shall ordinarily follow the accepted views (*qaul muktamad*) of the *Mazhab Syafie*.
- (2) In the event that the Mufti considers that following the *qaul muktamad* of the *Mazhab Syafie* would lead to a situation, which is repugnant to the public interests the Mufti may follow the *qaul muktamad* of the *Mazhab Hanafi, Maliki* or *Hanbali*.
- (3) In the event that the Mufti considers that none of the four *Madhab* would be appropriate to be followed without leading to a situation which is repugnant to the public interest, the Mufti may then resolve the question according to his own personal judgment without being bound by the *qaul muktamad* of the four *Madhabs*.

This provision and its like may result in a less conducive environment for the Mufti to pursue beyond the *Shafi'ie madhhab*, or even to resort to a more independent legal reasoning and ruling (original *ijtihad*).

### TASK ENVIRONMENT FOR MANAGERS

The second layer of the external environment of an organisation would be the task environment, which refers to the inner layer of an



organisation, such as elements related to the routine tasks of the workers and the managers. Its influences on the organisation are felt directly. The elements may be the specific conditions and provisions of such factors as the technological, socio-cultural, economic and political-legal factors discussed above. However, the influences are differently experienced by the managers and concern a discussion in regards to corporate Islamic culture and principles for the cultivation of good corporate governance.

Islamic culture is derived from an Islamic worldview that does not necessarily reflect contemporary Muslim's societies. Ideal Islamic culture neither subscribes high power distance nor low. Prophet (saw) says, "someone who fails to be affectionate to young, respect elderly and accords high honor to scholars, don't belong to me (being a Muslim)." Therefore, any power distance and authority's respect is due to the benevolence in mutual relationship. Islam emphasizes collectiveness not purely individualism. A concern of social belongingness where a respect for individual's rights is guaranteed is part of an Islamic culture. There is higher regard for aesthetical value than pure materialism, and Islam views this world as not so lasting as compared to the world hereafter. The masculine nature of the Muslim's society is not its weakness rather its strength.

Thus a member of this ideal society is expected to demonstrate good mannerism and mutual respect for benevolent leadership. A lot of available leadership and management literature from a secular viewpoint is not a series of theoretical formulations but an empirical description of actual Western practical experience. Muslims can benefit a lot from such descriptions provided they are careful to adapt them to their particular temporo-spatial circumstances. There are many aspects of leadership and management that non-Muslim scholarship has not delved in adequately and Muslims can make original contributions in them that all humanity will be eager to listen to. These fields include: an understanding of human motivation from the Islamic perspective, building endurance in the worker through patience (*sabr*) and high level of commitment and job loyalty through inculcating an element of *ikhlas* in harmonising industrial relations and solving disputes.



## ENVIRONMENT AND CULTURE

An organisational culture may be defined as the set of values that assists its members in regards to their understanding of what the organisation stands for, the manner in which it operates and matters of importance. Culture is an amorphous concept that defines objective measurements or observations. Nevertheless, being the foundation of the internal environment of an organisation, the corporate culture plays a major role in shaping managerial behavior.

## CORPORATE GOVERNANCE THROUGH ISLAMIC CULTURE

Corporate governance through the Islamic culture can only be derived through a reference to the Qur'an and the Sunnah. During the time of the Prophet (s.a.w), the Companions most probably based their decisions on a careful analysis of the environmental condition and this while carrying out their missions in situations such as the following:

- a) The battle of Badr
- b) The battle of Uhud
- c) The battle of the Trenches

However, an appreciation in this regard makes the claim that the outcome of a forecast cannot be fully determined. One may manage to attain the best position possible, but only to a certain level. Further than that, one's trust should be placed in Allah SWT (Tawakkul).

In the context of this discussion, two extremes have been taken into consideration:

- a) Overconfidence which may be a cause for the poor evaluation of the environment.
- b) Under-confidence which may result in no attempts for an evaluation of the environment due to the fear of not being successful in the pursuit.

In the light of the above, between the two extremes, the approach by Islamic management could be located and categorised as "taking the middle road." Thus, with a reference to this, a huge database of



information in terms of matters, such as economic conditions, competitors and internal information about any company is available. Further, sophisticated plans can be designed to monitor the environment on a continuous basis. However, it is a well-known fact that performance by the Muslims may much depend on events beyond their control and should be accounted for.

Allah alone knows the *ghaib*; while humans cannot know the future, they may only make assumptions: "Say: None in the heavens or on earth, except Allah, know what is hidden Nor can they perceive when they shall be raised up (for Judgement)." It was narrated by Ibn Omar that: Allah's Apostle (saw) said, "Keys of the unseen (knowledge) are five, which nobody knows but Allah: nobody knows what will happen tomorrow; nobody knows what is in the womb; nobody knows what he will gain tomorrow; nobody knows at what place he will die; and nobody knows when it will rain."

Abu Dharr narrated that the Prophet (saw) said "Surely I know a verse which, if people would have followed it, would have sufficed for them concerning everything in life; "For those who fear Allah, He provides a way out for them (for everything and) He also provides them provisions from (sources) that they could never have imagined."

The spread of Islam throughout Africa and Asia could not have been managed by the Companions without a clear vision and with some form of "environmental scanning." However, such a scanning might not have been a major concern in their planning process. In fact, in the event that a comprehensive scanning was carried out, Muslim leaders might have come to the conclusion that the logistics of the spreading of Islam appeared to be just "too difficult" and would thus not have embarked on their mission.

Tom Peters, the author of many books in management, discussed the issue of planning, whereby he criticised companies that tend to have too much concern in making plans and in the end, nothing is achieved. He says, "*some people in the end aim, aim, aim, ....it is better to fire, fire, fire.*" This is not to say that the environment should not be analysed, but that this practice should only be a part of the whole process, while the emphasis should be on taking actions.



## CORPORATE CULTURE AND THE ISLAMIC PRINCIPLES

Corporate Culture is a concept that imply encouraging people in an organization to act, as one united body. In other words, the concept may also refer to all acts, practices, rituals and languages that bind people together within an organisation.

- In a non-Muslim setting, the driving force for the employees may usually be as follows;
  - a) Concern for profit
  - b) Promotion of one's own interest over that of others
- In a Muslim setting, corporate culture should be based on the following:
  - a) *Tawheed* and its implication on man, that is, in terms of viewing work as an act of *Ibadat* and an approach to the rebuilding of Islam.
  - b) Islamic brotherhood
  - c) Islamic social guidelines, such as no backbiting, no spreading rumours and evils.
  - d) Islamic enhancement of the skills of the employees in terms of, for example, training and upgrading of knowledge as well as other skills.

For the cultivation of an Islamic corporate culture, Syed Othman *et al.*, (Islamic Management for Excellence) listed a number of values to be applied in an organisation;

- 1) Every action should be based on a stated intention.
- 2) Conscientiousness and good knowledge to be applied in all endeavours (*itqan*).
- 3) Proficiency & efficiency (*ihsan*) to be practiced.
- 4) Sincerity (*ikhlas*).
- 5) Passion for excellence.
- 6) Continuous self- evaluation (similar to the Japanese *Kaizen*).
- 7) Being forever mindful of Allah (SWT).



- 8) Justice.
- 9) Truthfulness.
- 10) Patience and perseverance (*Sabr*): it should be underlined in this regard, that *Sabr* is always translated as "patience," but its meaning goes beyond that: if something does not go according to expectations, one should not only accept it with patience, but should also make new attempts and work harder.
- 11) Moderation to be applied in all matters, including food, health, work, *ibadat*.
- 12) Keeping promises.
- 13) Prohibition of loving this world excessively.
- 14) Prohibition of loving wealth excessively.
- 15) Being Miserly.
- 16) Prohibition of excessively love of power and influence, excessively
- 17) Avoidance of pride.

Othman further pointed out at a fact that many "modern" management techniques are based on these values. To implement TQM, for example one needs to combine the Islamic terms *itqan*, *ihsan*, passion for excellence and continuous self-evaluation.

A businessman noted that many organisations are dysfunctional (i.e., not operating well) due to the fact that people are inherently motivated by selfish greed. He argued that if Muslims employed in an organisation could really be motivated to give priority to their society and place themselves as second, a most effective corporate culture could be established.

The following hadith may serve as an example: "He who is entrusted with any affair of the Muslims, and delegates a part of his affair to a man, while at the same time he knows a better man for his affair of the Muslims, then he is a traitor in the eyes of Allah and of His Messenger" (Hadith)

Thus, if this principle of always choosing the best (as opposed to choosing family/relatives/friends or people, who would always agree to everything one wanted) applied in an organization, this would be a promise of its success.



## HOW TO CREATE SUCH A CORPORATE CULTURE

From the perspective of Islam, the most important aspect in regards to a healthy corporate culture would be the acquisition of knowledge. Many companies in Malaysia have made the arrangement for an *ustaz* to conduct a *ceramah* (spiritual talk) during lunch hour. Any company may simply invite an *ustaz* (or several *ustaz*) and allow one hour a week, during which like the *ustaz* could discuss key issues and this would serve the following purposes:

- a) For the benefit of the individual Islamic development of the staff.
- b) For the indirect benefit of the company by highlighting Islamic key values, which would assist in creating the right corporate culture to increase the efficiency of the company.

Employees' individual improvement requires commitment, effort and action to achieve goals, taking responsibility, learning from previous experiences, interdependence, pursuing real needs and not mere desires, and possessing positive attitudes, a futuristic outlook, assertiveness, self-confidence and contentment. A duly improved employee who has self-control can stand up to the temptations of Satan (*shaitan*). Self-confidence and discipline is to know yourself, your strength and weakness, to be comfortable with you are, and to be psychologically secure and optimistic and be a risk taker. An entrepreneurial attitude requires initiative, optimism, self-confidence, creativity, looking forward to exploiting opportunities, perseverance and determination. Social development involves learning to develop social networks and taking social responsibilities in the corporate society.

For the success of such a program, it is essential to emphasize that it should not be a "one shot" motivational talk. Rather, for a lasting effect on the staff, it should be a weekly event, and continues over a period of time. A writer on the concept of motivation, Dennis Waitley, said, his experience in developing people in the USA had told him that one would need two years of regular sessions to really bring about change in a person.

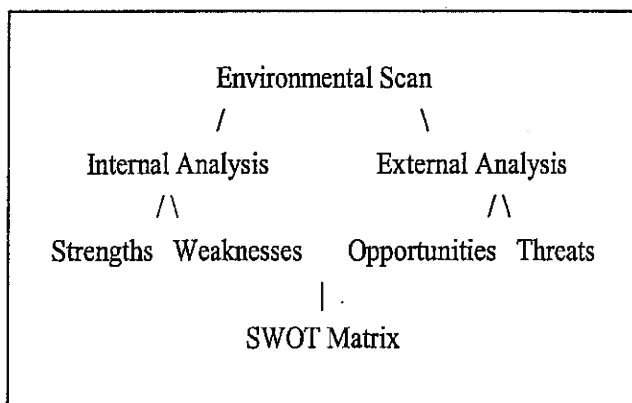


## SWOT ANALYSIS

A scan of the internal corporate culture and external environment of an organisation is an important aspect of the planning procedure for the development of a good strategic plan of an organisation. Factors related to the former elements of an organisation can usually be classified in terms of its strengths (S) and weaknesses (W), while the classification of the external factors is made in terms of opportunities (O) and threats (T). Such diagnosis of the corporate environment of an organisation is referred to as a **SWOT** analysis.

The SWOT analysis provides information that assists in evaluating and comparing the resources and capabilities of an organisation to its competitive environment within which it operates. As such, the analysis is instrumental in formulation and selection of a planning and corporate strategy. The following diagram shows how a SWOT analysis fits into an environmental scan:

### SWOT Analysis Framework





### STRENGTHS

The strengths of an organisation are the resources and capabilities of an organisation that can be utilised as a basis for the development of a competitive advantage. Examples of such strengths would be the following:

- a good reputation of human resource and corporate citizens
- patents and strong brand names
- a good reputation among customers and government agencies
- cost advantages from proprietary know-how
- exclusive access to high-grade natural resources
- favourable access to distribution networks

### WEAKNESSES

The absence of particular strengths of an organisation may be viewed as its weakness. Each of the following aspects may be an example to be considered as corporate weaknesses:

- poor reputation among workers and corporate citizens.
- lack of patent protection and a weak brand name.
- poor reputation among customers.
- high cost structure.
- lack of access to the best natural resources.
- lack of access to key distribution channels.

In some cases, a weakness may be the opposite of strength. A in case where an organisation carries a large amount of manufacturing capacity, while this capacity may be considered a strength against the competitors, such a large investment in the manufacturing capacity would prevents the organisation from a rapid reaction to changes in the corporate environment. Therefore, this aspect may at the same time be considered a weakness of the organisation.

### OPPORTUNITIES

An external environmental analysis may reveal certain new opportunities for the increase of profit and further organisational growth. Examples of



such opportunities would be the following:

- an unfulfilled customer need.
- arrival of new technologies.
- loosening of regulations and government control.
- removal of international trade barriers.

### **THREATS**

Changes in the external environmental factors may represent threats to an organisation. Some examples of such threats would thus be:

- shifts in consumer tastes away from the products of an organization.
- emergence of substitute products.
- new regulations by government agencies.
- increased global trade barriers.

### **THE SWOT MATRIX**

An organisation should not necessarily pursue the more lucrative opportunities. Rather developing a competitive advantage might be a better chance by for instance identifying a fit between the strengths of the organisation and upcoming opportunities. In some cases, an organisation may overcome one of its weaknesses by making preparations to pursue a compelling opportunity.

To develop strategies that take into account the SWOT profile, a matrix of factors concerned can be constructed. The SWOT matrix (also known as a TOWS Matrix) is shown below:



### SWOT / TOWS Matrix

	Strengths	Weaknesses
Opportunities	S-O strategies	W-O strategies
Threats	S-T strategies	W-T strategies

- **S-O strategies:** pursuit of opportunities that are a good fit to the strengths of a company.
- **W-O strategies:** overcome the weaknesses of an organisation to pursue opportunities.
- **S-T strategies:** identify approaches as to how the organisation may utilise its strengths to reduce its vulnerability to external threats.
- **W-T strategies:** establish a defense plan to prevent weaknesses of an organisation from making it highly susceptible to external threats.

### SUMMARY

Environmental screening is an important aspect of management. Analysis of environment is also a practice that may develop through experience. In this regards Islam, however, makes certain compromises in terms of the following factors:

- over-reliance on data, statistics, and experience where the assumption



is that the future can be forecasted with full accuracy.

over-reliance on *Tawakul*, an approach in saying that the Muslim managers may not be proactive in performing properly.

A key aspect to a successful scanning strategy would be by creating the right Islamic corporate culture. Once this has been achieved, a Muslim's organisation would have its competitive advantage. Therefore, in this respect the SWOT analysis is an important tool of organisation by allowing the future to be more clearly visualized, in the attempts for future planning. However, apart from this, one's thrust should be placed with Allah.

## QUESTIONS

1. Describe the dimensions of the general environment of an organisation and the manner the environment influences Muslim Managers.
2. Discuss the relationship between the Muslim manager and the environment and his status on earth?
3. In what manner is culture related to the environment and in what manner may Muslim managers create an Islamic corporate culture in their organisations?
4. Is the SWOT analysis useful for planning?
5. In what ways do you think the strengths and weaknesses of corporate human resources and their Islamic upbringing be useful in management of modern organisations.

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## Endnotes

- i Article 3 of the Malaysian Federal Constitution.
- ii To quote the first Prime Minister, the late Tunku Abdul Rahman, during a debate in the Federal Legislative Council: 'I would like to make it clear that this country is not an Islamic State as it is generally understood, we merely provide that Islam shall be the official religion of the State'; 1 May 1958, *Official Report of Legislative Council Debates*.
- iii See Article 3 and List II or State List of the Ninth Schedule of the Federal Constitution.
- iv The Ruler here refers to the Sultans in nine of the States; the 'Yang di Pertua Negeri' in Malacca, Penang, Sabah and Sarawak; and the King – the 'Yang di Pertuan Agong' - in the Federal Territory.
- v See the various state enactments: Kelantan (no. 4/1994), s. 37(1); Malacca (no. 5/1991), s. 35(1)–(3); Negeri Sembilan (no. 1/1991), s. 35(1)–(3); Pahang (no. 3/1991), s. 41(1)–(3); Perak (no. 2/1992), s. 39(3); Pulau Pinang (no. 7/1993), s. 41(1)–(3); Sabah (no. 13/1992), s. 40(1)–(3); Sarawak [cap. 105], s. 38(1); Selangor (no. 2/1989), s. 36(1)–(2); Terengganu (no. 12/1986), s. 26(1) and Federal Territory [Act 505], s. 39(1)–(3).
- vi Refer generally to Ahmad Ibrahim, "The Influence of Islam on Law in Malaysia," and "Recent Development in the Shariah Law in Malaysia," both in *The Administration of Islamic Laws in Malaysia*, (2000), IKIM, at p. 19 and p. 131 respectively. There was some noticeable influence of Turkish and Arabs in Johore at the time, Turkish and Arab families inter-marriage with prominent Malays.
- vii For instance, under the Law Reform (Marriage and Divorce) Act, 1976 the High Court is empowered to determine a case if the ground for divorce is the conversion to Islam of a spouse, while the other party has not converted.



## ***PART 2***

# **MANAGEMENT PROCESS AND LEADERSHIP**







## *Chapter 4*

### **PLANNING**

The following topics and sub-topics have been indicated in the beginning of the chapter for the quick reference and easy access by the readers. Like the previous, this chapter also begins with an introduction and ends with a summary. This is followed by relevant questions and references.

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## INTRODUCTION

Planning is a process which deals with thinking that is directed toward the future. However, within the planning process, there is a number of key steps that have to be taken into account. During the above process, a reason behind the failure of a project could well have been the fact that the team members did not invest sufficient of effort in the planning and the leader of the team could not call for the dismissal of anybody. Instead, they had to work hard to achieve the objectives set during the planning period. The project may either be operated by volunteers or paid by organisation. It is generally more challenging to manage volunteer organisations (such as university, clubs & societies), as those who operate these bodies may often not have sufficient commitment to proceed according to the plan. Planning is not a theoretical concept, and does not simply imply putting words and drawings on paper. Planning is a process to be translated into aspects, such as actions, commitments, implementation of decisions, modifying and applying flexibility, when this is called for.

*Commitment:* Planning is not a purely academic exercise; rather, the term implies a serious commitment to take a series of actions to move from a current position to a position at which one is aiming. Without taking actions, one cannot move forward and thus, one cannot achieve much. The Qur'an clarifies that results can come only from a man's actions, "the man can have nothing but what he strives for."

*Implementing decisions:* Good planning should be realistic and consists of actions that are compatible with available resources, employee ability and willingness, and not unrealistic promises that cannot be kept. Allah (SWT) commands: '*O you who believe! Why do you say that which you do not do*'

A plan is only as good as the decisions behind it. The decisions are only as good as their implementation. The Muslim should direct the required human and financial resources to the process of implementation and beyond that seek Allah's assistance in bringing his/her efforts into success... 'Then, when you have taken a decision, put your trust in Allah.'



*Delegation to Others:* In the course of developing and implementing a plan, the collective efforts of a number of people may sometimes be required. In such a case, it is of importance to recognize this need and to delegate part of it in order to translate the plan into its accomplishments. The Qur'an clarifies the importance of delegation of tasks for a more effective management in the following manner "and We raise some of them above others in ranks so that some may command work from others."

### **PLANNING DEFINED**

Planning encompasses the definition of organisational objectives or goals, the establishment of an overall strategy to how to achieve these objectives and the development of a comprehensive hierarchy of plans integrating and coordinating the various activities. The concern is thus with the ends as well as with the means.

The term "planning" can further be defined in terms of its informal or formal nature. All managers do engage in planning, but this might often take the form of being either informal or formal. Informal planning implies that nothing is written down, and there is little or no communication in regards to the objectives to others in the organisation. In formal planning, however, specific objectives are formulated and which spanned over a period of years. These objectives are written down and made available to the members of the organisation.

Managers are to engage in planning, as this form of exercise provides direction for the entire operation of the organisation, reduces the impact of change, minimises waste and redundancy, and sets the standards to facilitate control.

### **QUR'AN AS GUIDANCE FOR PLAN OF ACTION**

The way of life according to Islam is pragmatic and evolves around the Muslims preparation for the future life in the Hereafter. The Qur'an teaches that people who ask for what is good in this world as well as for the Hereafter will receive what is due to them in both worlds. If, within



an organisational plan, what is due to the organisation is based on what they earn by their actions, the Quran has the following to say:

*some say 'Our Lord, give us all the good things here in this world, such people shall have no share in the Hereafter. Then, there are others who say, Our Lord, give us what is good in this world and also what is good in the Hereafter and save us from the torment of Fire, Such people shall have their due share (in both the worlds) according to what they earn. And Allah is swift at settling accounts.'*

Thus, the Qur'anic view of planning is two-folded:

(i) One should plan one's actions with specific goals in mind. (ii) The reward is dependent on the implementation of such plan. The making and implementation of a plan are thus two sides of the same coin.

The Prophet urges the Muslims always to be oriented toward the future. Should the last hour strike and one is carrying a nursling tree to the grove for planting, the person should do the same, that is to go ahead and plant it.

## TYPES OF PLANS

The most popular approach in describing effective plans is by stating their scope, time frame, and specificity. However, the elements of this classification of planning are not acting independently from one another. There are further six categories of plans, according to the following:

- Plans that apply to the entire organisation, establish the overall objectives of the organisation, and seek to strengthen their position of the organisation in terms of its environment are called *strategic plans*.
- Plans specifying in details the approach to achieve the overall objectives are called *operational plans*.
- Plans involving activities to be carried out within less than a year are called *short-term plans*.
- Plans extending beyond a time period of five years or more are called *long-term plans*.



## PLANNING

- *Specific plans* are those which are clearly defined and stated and leave no room for interpretation. Specific plans thus have clearly defined objectives without ambiguity and with no room for misunderstandings.
- *Directional plans* identify general guidelines. They provide focus, but do not restrict the management to specific objectives or specific course of action.

### PRINCIPLES OF PLANNING

Planning from an Islamic perspective requires four basic principles to be applied on the process which are as follows:

- a) Forward thinking based on past experiences
- b) Rational use of resources
- c) Consultation before decision-making
- d) Apply fairness to others

#### **A) FORWARD THINKING BASED ON PAST EXPERIENCES**

In planning for the future, one should build on what has been carried out in the past, while initially avoiding any shortcomings of the past. The Qur'an urges the Muslims to learn from past experience. The Qur'anic challenges: "Did they not travel through the earth, and see what was the end of those before them?"

#### **B) RATIONAL USAGE OF RESOURCES**

The art of good planning is the skill of identifying potential resources and optimising their use to produce the desired results. The Muslim recognises that Allah has provided for man's needs, if he would only make the effort to strive to deserve as well as to acquire it: "Do you not see that Allah has subjected to your use all things in the heavens and on earth, and has made His bounties flow to you in exceeding measure both seen and unseen."



### **C) CONSULTATION BEFORE DECISION MAKING**

The exercise of planning from an Islamic perspective is based on information seeking, advice and mutual consultation. The Prophet tells us that "Religion is sincere advice." It is not a matter of an authoritarian, totally centralised process of giving orders. Muslim planners seek information to replace their ignorance and enhance his/her knowledge on the subject at hand, solicits advice to test their assumptions and engages in consultation to overcome their own limitations. Allah says: "Then ask the learned if you do not know, consult them in affairs of the moment." The Qur'an further describes the believers as "and who conduct their affairs by consultation."

### **D) APPLY FAIRNESS TO OTHERS**

Good planning requires a balanced approach in assigning responsibilities to others for carrying out tasks, in handing the authority to others to discharge responsibilities, in allocating resources to accomplish objectives, and by setting the goals in the right priority to achieve the best interests of all concerned. The Qur'an calls for justice and fairness in all dealings "Give just measure and weight, and do not withhold from people the things that are their due."

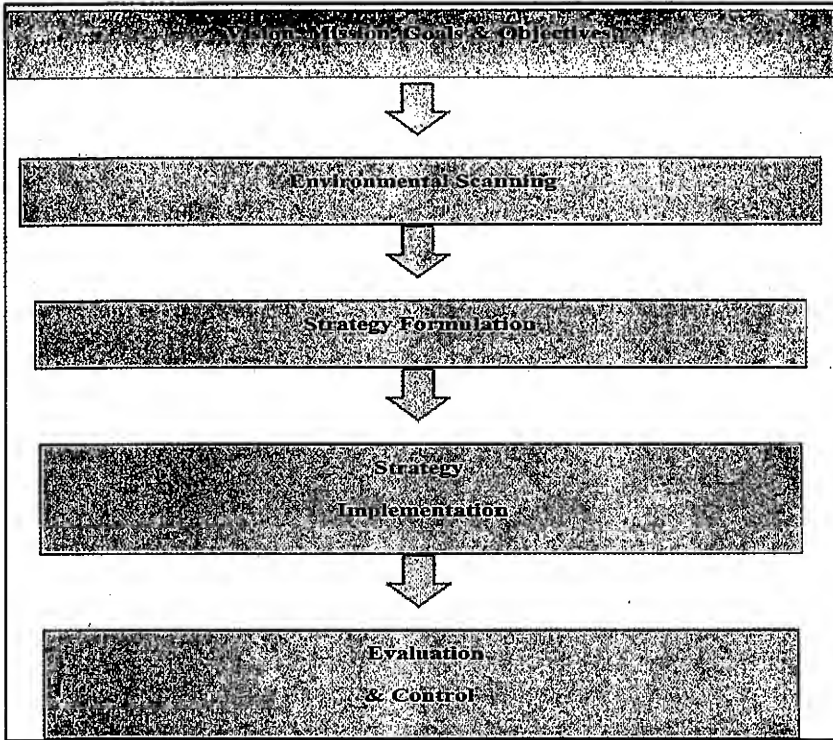
### **THE OVERALL PLANNING PROCESS**

In the highly competitive business environment of the modern times, methods in budget-oriented planning or forecast-based planning are insufficient for the survival and prosperity of a large corporation. The organisation must engage in strategic planning that clearly defines its objectives and assess the internal as well as the external situation to formulate a strategy and implement a strategy, evaluate its progress, and make adjustments accordingly to stay in the chosen direction.

A simplified view of the strategic planning process is shown below in Diagram 4.1.



**Digram-4.1**  
**The Planning Process**



### **THE CORPORATE VISION, MISSION AND OBJECTIVES**

Motivation for the purpose of energising the employees to work towards aspects, such as corporate vision, mission and objectives should be more than a sign on the wall. Executives and managers should formulate them, being seen living by them and constantly communicate them to their employees.

#### **The Vision**

The term vision is a short, succinct statement of what an organisation intends to aim at as well as achieve at some point in the future, and is often stated in competitive terms. The term refers to a category of intentions that are broad, all-intrusive and forward-viewing in nature. It



must reflect the image that a business wishes to project in terms of its goals, before it proceeds to their achievement. It describes the future aspirations of an organisation without specifying the means that will be used to achieve those desired ends.

The corporate success depends much on the vision articulated by the chief executive or the top management. For a vision to have any impact on the employees of an organisation, it should be conveyed in a dramatic and enduring manner. The most effectively communicated visions are those that are inspiring, usually requesting for the best, the most or the greatest of the employees. It is highly essential for the management to keep in line with the corporate vision, constantly communicate it and to relate the events of the day to the vision, while underscoring the relationship between the two.

The vision describes more effectively the aspirations of the company by attempting to imbue it into the feelings of the employees. A statement of mission and vision is of great importance, as it assists in setting a focus, as to what is to be achieved by the organisation and this to be shared by the entire organisation, or else some parts of the organisation may possibly strive towards different aims compared to that of other parts.

### **The Mission Statement**

A mission statement is a corporate vision translated into written form. It makes concrete the view of the leader in terms of the direction and purpose of the organisation. It is a vital element for many corporate leaders in their attempts to motivate employees and to give them a sense of priorities.

A mission statement should be a short and concise statement of the goals and priorities of an organisation. In turn, goals are specific objectives that relate to specific time periods and are stated in terms of facts. The primary goal of any business organisation is to increase the stakeholder value. The most important stakeholders are the shareholders, the owner of the business, employees, who are engaged by the



organisation, and clients or customers, who purchase the products and/or services from the business organisation.

The mission statement describes the business vision of the company, including the unchanging values, the purpose of the organisation and the forward-viewing visionary goals that guide the pursuit of future opportunities.

### **The Setting of the Goals/Objectives**

The major outcome of strategic 'road-mapping' and strategic planning, after collecting all necessary information, is the setting of goals for the organisation and this is based on its vision and mission statement. A goal is a long-range aim for a specific period of time. It must be clearly stated and realistic in nature. Long-range goals set through strategic planning are translated into actions that are to ensure the reaching of the goal through operational planning.

Guided by the business vision, the leaders of the organisation can define their measurable financial and strategic goals. The financial goals involve, in their measured form, sales targets and earning percentage growth. The strategic goals are related to the business position of the organisation, and may include in their measured form, market share and reputation.

### **The Setting of the Operational Objectives**

An objective is a specific step in the process of planning, a milestone, which enables one to accomplish a goal in phases. The setting of the objectives involves a continuous process of research and decision-making. Knowledge of oneself and one's unit is a vital starting point in the setting of the objectives.

The strategic planning is an exercise that takes place at the highest level of an organisation, while, however, other managers are involved in the operational planning. The first step in the operational planning is the defining of the objectives, and at the same time also stating the outcome expected by the end of the budget (or other designated) cycle.



The objectives should have the following characteristics:

- Focus on a result, rather than actions
- Consistency
- Specificity
- Measurability
- Related to time
- Attainable

### THE ENVIRONMENTAL SCAN

An environmental scan encompasses the following components:

- An internal analysis of the organisation.
- An analysis of the entire industry, of which the organisation is a part (task environment)
- An analysis of the external macro environment in terms of political, economical, social, and technological (PEST) aspects.

The internal analysis is to identify the strengths and weaknesses of the organisation, while the external analysis reveals the opportunities and threats. A profile of the strengths, weaknesses, opportunities, and threats is generated by means of the SWOT analysis.

### THE STRATEGY FORMULATION

Based on the information collected through an environmental scan, the organisation is to assess its strengths to the opportunities that have been identified, while addressing its weaknesses and external threats.

To attain superior profitability, the organisation seeks to formulate a strategy and choose out of the strategic options. When an organisation manages to sustain profits that exceed the average for its industry, the organisation is said to possess a competitive advantage over that of its rivals. The usual goal of the business strategy formulation is to achieve a sustainable competitive advantage.

Michael Porter (1998) identified two basic types of competitive advantages accordingly:

- Cost advantage
- Differentiation advantage

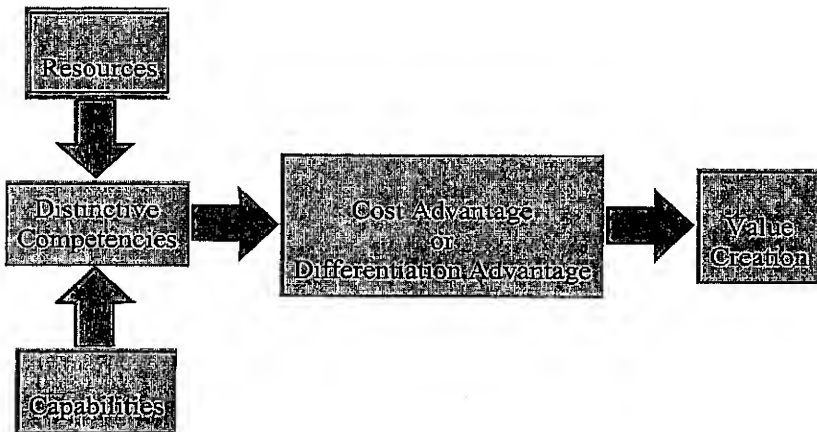


A competitive advantage exists when an organisation is able to deliver the same benefits as its competitors, but at a lower cost (cost advantage), or deliver benefits that exceed those of its competing products (differentiation advantage). Thus, a competitive advantage enables the organisation to create superior value for its customers and superior profits for itself.

Cost and differentiation advantages are known by the term “positional advantages,” since they describe the position of the organisation within its industry, as the leader in terms of either cost or differentiation.

A resource-based view emphasizes on an organisation which utilises its resources and capabilities to create a competitive advantage that ultimately results in superior value creation. The following diagram combines the resource-based and positioning views to illustrate the concept of competitive advantage in Diagram-4.2:

**Diagram-4.2**  
**A Model of Competitive Advantage**



Source: Michael Porter (1998)

### **Resources and Capabilities**

According to the resource-based view, in order to develop a competitive



advantage an organisation is required to have resources and capabilities that are superior to those of its competitors. In the absence of such superiority of an organisation, competitors could simply replicate what a particular organisation is producing and any form of advantage would quickly be lost.

Resources are the specific assets of the organisation instrumental in creating a cost or differentiation advantage and which few competitors could easily acquire. The following are some examples of such resources:

- Patents and trade-marks
- Proprietary know-how
- Installed customer base
- High reputation of the organisation
- Brand equity

Capabilities refer to the abilities of an organisation to utilize its resources effectively. An example of a capability would be its ability to bring a product to the market in a shorter period of time than that of its competitors. Such capabilities would then be embedded in the routines of the organisation, as part of its procedures and not easily documented, and thus become difficult for the competitors to replicate.

The resources and capabilities of an organisation together form its distinctive competence. This competence enables such aspects as innovation, efficiency, quality and customer responsiveness, all of which can be leveraged to create a cost or a differentiation advantage.

### **Cost Advantage and Differentiation Advantage**

A competitive advantage is created by utilizing the resources and capabilities to achieve either a lower cost structure or produce a differentiated product. An organisation positions itself in its industry through its choice of either low cost or differentiation. The decision in this respect is a central component of the corporate competitive strategy.

Another important decision to make is to determine the size of a market segment to target, broad or narrow. Porter (1998) formed a matrix using cost advantage, differentiation advantage, and a broad or narrow



focus to identify a set of generic strategies for an organisation to pursue in creating as well as in sustaining a competitive advantage.

### **Value Creation**

An organisation creates value by carrying out a series of activities that Porter identified, as the value chain. In addition to its own value-creating activities, an organisation operates in a value system of vertical activities, including those of upstream suppliers and downstream channel members.

To achieve a competitive advantage, the organisation would be required to carry out one or more value creating activities in such manner as to create more overall value than do its competitors. Superior value is created through lower costs or superior benefits to the consumer (differentiation).

### **THE STRATEGY IMPLEMENTATION**

A selected strategy is implemented by means of programs, budgets, and procedures. Implementation involves the organizing of the resources of the organisation as well as the motivation of the staff to achieve the objectives.

The manner in which the strategy may be implemented can have a significant impact on its success. In a large company, the persons in charge of implementing the strategy would not likely be the same as those who were given the task to formulate it. For this particular reason, care must be taken to communicate the strategy appropriately to stakeholders and employees, as well as the reasoning behind. In the event of any misunderstandings in regards to the strategy, or should the lower-level managers resist its implementation due to their lack of understanding, as to why the particular strategy was selected, the implementation process might not be successful.

### **THE EVALUATION & THE CONTROL**

The implementation of the strategy must be monitored and necessary adjustments made. Evaluation and control consists of the following steps:



1. Define parameters to be measured.
2. Define target values for those parameters.
3. Perform measurements.
4. Compare measured results to the pre-defined standard.
5. Make necessary adjustments.

### **THE QUALITY OF PLANNING**

In the course of following the steps in the planning process, organisations must ensure that their planning brings about quality and good output. Allah (swt) loves man's actions to be carried out thoroughly and with perfection. To strive for perfection should be reflected in all man's actions, thus including in the act of planning. Therefore, a Muslim should build excellence into his/her planning exercise.

#### **A. THE BUILDING OF EXCELLENCE INTO PLANNING**

A Muslim planner builds excellence into his plans by seeking the approach in which his resources can generate the most desirable results. The Prophet referred to this by saying "Allah decreed that for every thing there is a better way."

When engaged in work with others, a Muslim planner should build a team and acknowledge the contributions by the team members.

#### **B. THE BUILDING OF A TEAM**

Planning is a collective activity in that it touches on the lives and achievements of all involved, be it the family members, the community or the whole nation. Success in good planning calls for the benefit for all concerned through their input, exercised not through disoriented individual action, but through a concerted effort. The Prophet advises the Muslims that "The hand of ALLAH is with the *Jammaah*. Then whoever singles himself out (from the *Jammaah*) will be singled out for the hell-fire." Also, whoever singles himself/herself out from the *Jammaah* is like a sheep out of flock targeted by wolves, and wolf for a human is Satan.



### **C. ACKNOWLEDGEMENT OF CONTRIBUTIONS MADE BY OTHERS**

Good planning recognizes the value of people and encourages their continued commitment by acknowledging their contribution. The Prophet stated: "He who does not thank people, does not thank Allah."

### **D. INTEGRATE ACCOUNTABILITY INTO PLANNING**

Responsibility should also be accompanied by accountability. Persons, who assume the role of leadership in carrying out a plan, should be extra accountable, as the success or the failure of the plan affects everyone involved. The Qur'an stressed accountability in the following manner:

"O women of the Prophet, if any of you were guilty of evident unseemly conduct, the punishment would be doubled to her, and that is easy for Allah."

### **COMPREHENSIVE PLANNING – THE ISLAMIC PERSPECTIVE**

Strategy is a term for a rational approach within the study of management and deals with the uncertainties of organisational life. It encompasses an assessment of the internal and external environments of an organisation, forecasting of the future, forward viewing, reasoning of the past, and making preparations for various hypothetical scenarios.

Strategic behavior is an inevitable aspect for living and succeeding in a complex environment in which one's decisions and actions have an impact on others and also are influenced by matters around. Strategic concepts are applied in the context of competition, to be instrumental in management in terms of, for instance, analysis, planning, execution, and negotiations. Organisations that thus chose to react towards events and lack strategies are calling for their demise. A major mistake among Muslim managers is to be so absorbed by the day-to-day operations, neglecting strategic planning. This practice, therefore, should be the agenda of the top management of the organisation managed by Muslim managers.

#### **Strategic Planning**

Strategic planning should be a very powerful tool in the corporate



management of Muslim leaders and managers. Strategic planning is instrumental in establishing strategic objectives and formulating plans to accomplish them. Strategic plans answer the following three questions:

Where are we now?

Where do we want to be?

How do we get there?

As mentioned above, strategic planning involves forward thinking, reasoning into the past, and preparing for all eventualities. Contingency strategies should be developed, to be implemented in the event a chosen plan does not materialise, as envisioned. Strategic planning has many benefits. Unexpected events would not take managers with complete surprise. There are two kinds of strategies, the pro-active and reactive. The former kind implies that one will not easily be provoked into giving wrong responses; rather one is able to take pre-emptive steps ahead of competition. Strategic planning is a difficult exercise, because it essentially involves achieving and maintaining objectives in a changing and unpredictable environment. It, in fact, requires a considerable amount of intellectual effort and creativity.

### **Strategic Thinking**

The term strategic thinking is an intellectual process that is the background to strategy formulation, planning, and implementation. Strategic thinking enables a person to view past difficult and complex situations and make the right decisions. A strategic thinker prepares for and exploits unpredictability and surprises. He anticipates, views the past, and prepares for the strategic moves of a rival. His frame of mind is that of prepared opportunism, ready to exploit unforeseen opportunities that may arise.

### **Strategic Management**

The practice of strategic planning calls for the existence of strategic management. Strategic management implies the management of the pursuit of the organisational mission, while at the same time manages the environmental relations of the organisation. It is characterized by constantly being ready to deal with sudden change in the environment.



Strategic management exercised in a highly uncertain, rapidly changing environment can be likened to “shooting at a moving target when riding on a galloping horse.”

### **Strategy in Seerah and Contemporary Work**

A careful study of the *seerah* of *Rasullullah* reveals the effective strategic thinking and planning at the many stages of the forward march of the Islamic mission for instance, the treaty of *Hudaybiah*. Although the environment and the technology have changed, the human nature has remained basically the same. Thus, much contemporary human behaviours, whether strategic in nature or not, have their parallels in the *seerah*. One can learn from the lessons of the past and build on them, while developing strategic skills for the modern era. Some of the major catastrophes that contemporary organisations and their management have experience could have been prevented with a leadership employing strategic thinking and planning skills. There is a need to develop strategic planning and management skills among the leaders and managers of today, to be able to meet the multi-faceted challenges of globalisation. In many cases, one may be dealing with organisations that operate in the global market in a strategic manner and this implies a real challenge for the Muslims, whose organisations are not yet able to enjoy their access to comparable or compatible skills.

### **Strategy, Change, Stability and Growth**

Strategic plans should be sufficiently flexible to adapt to rapid environmental changes. An inbuilt capacity for change in the organisation is an absolute necessity for its success. Strategy formulation requires a decision as to whether the organisation desires growth or stability. The plans would take a different form for each scenario. Strategies that emphasise stability are less innovative in nature and are based on premises and facts that are not likely to vary. Strategies for growth anticipate a great deal of change and with it the uncertainty and risks that are inevitable. Risk management is a very essential aspect of the named strategies.



### **Trust in Allah (SWT)**

In the light of the above, one understands that there may be no complete guarantee for success for any form of human activity, this including the planning part of an operation. Rather, it was much emphasised that, apart from carrying out one's activities and duties in the best of manner, one always keep in mind the great importance of setting one's trust in Allah (SWT).

The following are a few examples of situations during the time of the Prophet that may serve as evidence as to how matters were managed. The Prophet and Abu Bakr were in the cave: "If you help not (your Leader) (It is no matter): for Allah did indeed help him, when the Unbelievers drove him out: he had no more than one companion: The two were in the cave, and he said to his companion, "Have no fear for Allah is with us" then Allah sent down His peace upon him, and strengthened him with forces which you saw not, and humbled to the depths the word of the Unbelievers. But the word of Allah is Exalted to the heights: for Allah is Exalted in might, Wise."

"Narrated Abu Bakr: I was in the company of the Prophet (SAW) in the cave, and on seeing the traces of the pagans," I said, "O Allah's Apostle! If one of them (pagans) should lift up his foot, he will see us." He said, "What do you think of two, the third of whom is Allah."

Of vision of the conquest of Mecca, Byzantine, Persia, Yemen, Syria, Iraq, and the peninsula Arab: "Truly did Allah fulfill the vision for His Messenger: You shall enter the Sacred Mosque, if Allah wills, with minds secure, head shaved, hair cut short, and without fear. For He knew what you knew not, and He reacted, besides this, a speedy victory." Jabir bin Samura narrated that The Prophet (SAW) said, "If Caesar is ruined, there will be no Caesar after him; and if Khosrau is ruined, there will be no Khosrau after him; and by Him in whose hand my soul is, surely you will spend their treasures in Allah's cause."

Sufyan bin Abu Zuhair narrated: I heard Allah's Messenger (SAW) saying "Yemen will be conquered and some people will migrate (from Medina) and will urge their families, and those who will obey them to migrate (to Yemen) although Medina will be better for them, If they



but knew. *Shaam* (Syria) will also be conquered and some people will migrate (from Medina) and will urge their families and those who will obey them, to migrate (to *Shaam*) although Medina will be better for them, if they but knew. Iraq will be conquered and some people will migrate (from Medina) and will urge their families and those who will obey them to migrate (to Iraq) although Medina will be better for them, if they knew.”

As narrated by Khabab bin Al Art: “We complained to Allah’s Apostle (SAW) about our state while he was leaning against his sheet cloak in the shade of the Kaba. We said, ‘Will you ask Allah to help us? Will you invoke Allah for us?’ He said, ‘Among those who were before you a (believer) used to be seized and a pit used to be dug for him and then he used to be placed in it.’ Then a saw used to be brought and put on his head which would be split into two halves. His flesh might be combed with iron combs and removed from his bones, yet, all that did not cause him to revert from his religion by Allah! This religion (Islam) will be completed (and triumph) till a rider (traveler) goes from Sana (the capital of Yemen) to Hadramout fearing nobody except Allah and the wolf lest it should trouble his sheep, but you are impatient.”

## A Vision of Paradise as Success and Hell as Failure

As narrated by Abu Huraira: the Prophet (SAW) said, “I have prepared for My righteous slaves (such excellent things) as no eye has ever seen, nor an ear has ever heard nor a human heart can ever think of.”

Anas bin Malik narrated that: “The Prophet (SAW) led us in prayer and then went up to the pulpit and beckoned with both hands towards the *qibla* (direction for prayer) of the mosque and then said, ‘When I started leading you in prayer, I saw the display of Paradise and Hell on the wall of the mosque (facing the Qibla) I never saw good and bad as I have seen today.’ He repeated the last statement thrice.”

## Feasibility, Shura and Gradualism

The Qur’an (fourteen centuries ago) spelled out explicitly the principle of “*Shura*,” which means that issues are to be decided by joint deliberation



and consultation. The practical application of this principle in the earlier days of the time of Islam (the time of the Prophet [SAW] and his immediate successors) has made it qualified to be considered the forerunner of democracy. Only in his capacity as the Prophet was Mohammad to be obeyed without reservation, but beyond the area of conveying and explaining the religion, as he received the message from God, Mohammad (SAW) himself made it clear that he was an ordinary human being, who could not foretell the future or claim to have more knowledge over ordinary people in their respective fields of artisanship or trade.

On the eve of the battle of “*Badr*” the first and historically the most significant military encounter between Islam and the Arab alliance of idolaters, the Prophet drew a military plan entailing the deployment of his meager troops in a certain fashion. Then, however, one of his followers would ask him “Is this positioning of the revelation from God so that we have to abide by it without question, or is it an opinion of strategy and plan?” Mohammad (SAW) answered that it was indeed a matter of the latter, upon which his companion gave his sincere criticism and offered an alternative plan, which the Prophet accepted and adopted; the outcome was a resounding victory.

Years later, the enemies dispatched a large army to attack the Muslims in Medina. It was in Mohammad’s (SAW) opinion to remain in Medina and meet the enemy, but discussions on the matter revealed that the majority of his followers preferred to march out and make battle with the enemy at Mount *Uhud*, well outside Medina. Mohammad (SAW) yielded to the majority opinion in compliance with the principle of *Shura*. Muslims achieved an initial victory, until the battalion of archers positioned at the top of the mountain was of the opinion that the battle was already over and came down to join the chase, thus disobeying clear orders given earlier by the Prophet, not to leave their positions no matter whether victory or defeat is afoot. This caught the eye of Khaled ben el Waleed (a military genius leading a cavalry regiment of the enemies), who took a stealth circle to the mountain top and rolled down on the Muslim infantry, thereby upsetting the balance, to such extent that what remained for the



Muslims to do was gracefully retreat after incurring heavy losses. Although serious mistakes were made twice on the part of the Muslims, a part of the Qur'an was shortly revealed addressing Prophet Mohammad (SAW): "*And it was of the mercy of God that you dealt gently with them (your followers): had you been harsh or thick of heart they would have dispersed from around you. So pardon them and ask (God) for their forgiveness and maintain Shura with them.*" (3:159). This *Shura* is to pervade all walks of life and at all levels in society even to the detail stated in the Qur'an, saying that the decision to wean a suckling infant should be taken by mutual *shura* and the consent of both parents.

The Prophet's demise has the conclusion of the Prophethood. He was, however, to be succeeded by a head of state. This was carried out in a meeting, in an open debate, with more than one contender, until Abu Bakr the closest companion to the Prophet, was chosen by consensus to become the first caliph. On this occasion, established Islamic principles were reiterated and emphasized, and this foremost of all by the caliph himself. The significant rules were as following:

1. The post was to be filled by the mandate of the people (Abu Bakr immediately proceeded to seek the opinion of others, who did not attend the meeting to ensure their concurring).
2. The appointment was to be based on a condition (obey me as long as I obey God the caliph declared).
3. The right of the people to offer their mandate was to be coupled with their right to withdraw (Abu Bakr declared that in the event that he were to commit mistakes, the people would owe him no obedience).
4. The ruler was to be considered the employee of the nation, hired to fulfill the duties of his office (seeing that Abu Bakr in his earliest few days in power pursued the operation of his business to make a living. The people imposed on him to take a salary equal to the earnings of an average Muslim, neither rich nor poor, in lieu of working full time).



5. The head of state was to be no hostage of the elite or nobility or of the interest of any groups. His words were: "The weak amongst you is strong with me until I secure what is due to him, and the strong amongst you is weak with me until I take from him what is due to him."

## SUMMARY

Planning is the process of determining objectives and assessing the manner in which these objectives can best be achieved. Planning provides direction, reduces the impact of change, minimizes waste and redundancy, and sets the standards to facilitate control. Strategic plans deal with broad issues, and include the formulation of objectives and this to cover over an extensive time period. Operational plans focus on specific matters and assume that the objectives are already known and cover only shorter periods of time. The process of planning ensures successful implementation and guarantees results. An Islamic perspective of comprehensive planning encompasses strategic thinking, trust in Allah, the vision of the Paradise and gradualism and lessons from the seerah of Prophet.

## QUESTIONS

1. Contrast formal with informal planning within Muslim organisations?
2. Describe the step in strategic management process with reference to the Qur'an and the Sunnah.
3. What is a SWOT analysis and how can it be applied in Muslim organisations?
4. Discuss principles of comprehensive planning from Islamic perspective and quote the *Shurah* and the *seerah*, as an example.
5. Discuss the implications of planning by *Shurah* and without it. Quote instances in *Seerah* of Rasullullah when he was made to listen to *Shurah* for his plans.



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## *Chapter 5*

# **ORGANISING**

The following topics and sub-topics have been indicated in the beginning of the chapter for the quick reference and easy access by the readers. Like the previous, this chapter also begins with an introduction and ends with a summary. This is followed by relevant questions and references.

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## INTRODUCTION

The second function of management is called organising. The term refers to engaging in a number of various activities that are common to every management of an organisation, whether they are small or large in size. It is defined as the process of delegating and coordinating tasks and resources to achieve organisational objectives.

Among the qualities demonstrated by the Prophet (SAW) was his organising capacity. The term implies allocating well-defined work responsibilities to the right people. It also implies creating the right infrastructure, following the right procedures, and allowing clear channels of organisational communication. This aspect can be observed in the interesting manners in which the Friday *Khutbah* was being utilised during the time of the Prophet and the manner in which it is currently utilised. During the time of the Prophet, it was an approach in keeping everybody informed of what was taking place in the *Ummah*, as well as communicating tasks and responsibilities to each member of the *Ummah*.

## ORGANISING THEORIES

System and contemporary issues have become key considerations in the study of organisation and management. A systems philosophy is a way of thinking about complex human endeavours. It facilitates recognition of the context within which organisations operate and emphasizes understanding the interrelationships among the various activities that are required to accomplish goals. A contingency view is a way of thinking about managing contemporary organisational endeavours. It facilitates situational diagnosis that leads to managerial action that is appropriate in specific circumstances.

There were many management thinkers who have contributed to the study of organisations in many ways. The classical theorists are F.W. Taylor (1927), Henri Fayol (1929) and others who studied various aspects of organisations and developed many management principles. It might be of interest to learn the origin of the theory behind the issue of organisational structure. A German writer named Max Weber (1974) wrote about the idea of bureaucracy. The term bureaucracy today has



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been given a rather different interpretation compared to that at the time of Weber, when he first wrote this concept.

Bureaucracy was designed in an effort to bring order and structure to what was considered chaotic circumstances. Development of rules to follow provided workers answers to frequently asked questions. Established procedures assisted them in clearly understanding the various steps they were to follow to accomplish their task. Workers were encouraged to "just do the work" without spending much time trying to understand the best approach to their task at hand. If a person does not have to strain oneself too much to understand what he is to carry, he may work faster and more efficiently.

The wish of the classical author(s) presumably was to see the workers carry out their tasks, as mechanical (non-human) as possible. The aim was to produce, not necessary to have satisfied employees.

Islam is a universal religion followed by over one billion people living in different geo-political systems and of various professions. The need for knowledge in Islam especially applicable within an organisational setting is increasingly becoming more important. Applied in any organisation, Islam stresses cooperation and the sense of collectiveness among employees, as the religion cannot be practiced in isolation. The collective efforts of people in a work situation should be aimed at achieving a certain goal and since organisations are composed by very distinct people, which each and everyone of unique character and contributes in particular ways based on culture of unity in diversity.

### PRINCIPLES OF ORGANISING

There are certain principles of organising once followed, organising would become easier and demonstrates as it is professionally done. These principles are setting organisational goals, division of work, defining relationship-authority and responsibility system, communication and coordination.

**Super ordinate Goals:** Organisations come in various types, sizes and forms and are designed to accomplish specific goals.



**Division of Work:** The major advantage of dividing work (labour) is to assist each employee in knowing his/her particular task. Upon training, an employee is expected to become skilled at the task concerned. The "thinking" process of the individual is reduced (fewer decisions have to be made by the employee in regards to actions to be taken in response to the task at hand). Thus less occurrence of possible errors, work would be produced more quickly, and all is well! Further, the completion of work is more efficient, as the workers may stay in one place and repeatedly carry out the various steps. Of course division of work is to be based on certain principles too. These are various levels of skills required for carrying out the task, autonomy in the job, human psychological state and so on.

**Relationships of Workers at Different Levels (Line Relationships):** The task is mostly carried out by the group of people working together. For effective organising there is a need that relationship between various levels of employees in an organisation must be spelled out clearly to avoid any possible chaos.

**Span of Management Control:** The term span of management (sometimes called span of control) refers to the number of people under the charge of one supervisor. Thus, if all employees reported to one manager, only one person would have to be paid a higher salary. The implication of this would be that very unlikely he/she might know the names of all employees, let alone be able to have meaningful interaction with them in regards to their performance.

**Chain of Command – Scalar Relationships:** The chain of command is best known from the military, where approval must be sought from one's supervisor before each decision. The lower in the chain of command one is positioned, the less authority one enjoys.

**Unity of Command:** The term unity of command indicates that there should be employee under one boss. More modern organisational



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structures (such as matrix or team organisations) have championed the concept of having more than one supervisor for an employee, depending on the form of project the employees are engaged in.

**Communication for Coordination of Task at Different Levels:** As mentioned above groups of people work together in an organisation. An effectively organising manager should communicate with his/her subordinates and superiors in a downward and upward movement in order to coordinate the work to be carried out at the various levels. Without proper communication, organising will become a tall order and productivity will suffer leading to the failure in completing the assigned task.

### ORGANISATIONAL CHART

Organisational chart, a form of line diagram, displays the work units in relation to one another. Titles, such as that of a manager are provided, as are names of work units and those of their particular managers. Such chart indicates the arrangement of work units and the delegation of work, that is, thus the delegation of responsibility. The chart varies in scope and detail compared to those displaying the organisation of related institutions or companies as well as to those displaying the detailed organisation of for instance a small work unit.

Some types of organisational charts are displayed below in Figure 1. It can be observed that the levels of positions indicate the manager/subordinate relationship as well as the reporting chain. Names and/or titles can be provided as well as explanatory notes, to clearly show duties held and the direction of reporting.

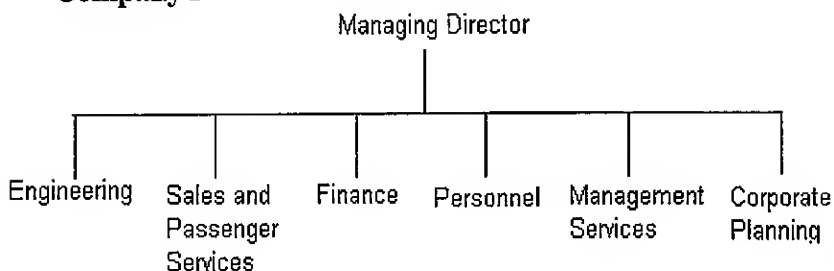
In general, a person is responsible to his/her immediate manager for his/her own work and for that of his/her subordinates, and this is shown by the lines on the chart. Hence, the organisational chart is useful in illustrating the following:

1. The division of the operation of the company into work units (who does what).
2. The reporting chain (who reports to whom).



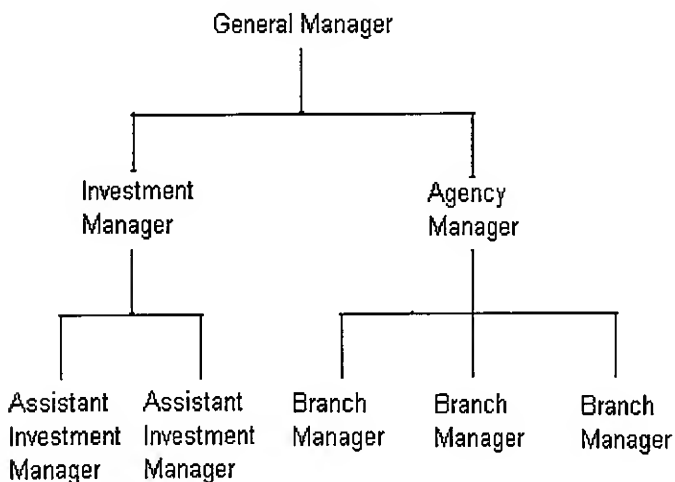
**International Airline**

**Company 1**



**Company 2**

**Insurance Company**



**Figure 1**  
**Organisational Charts**

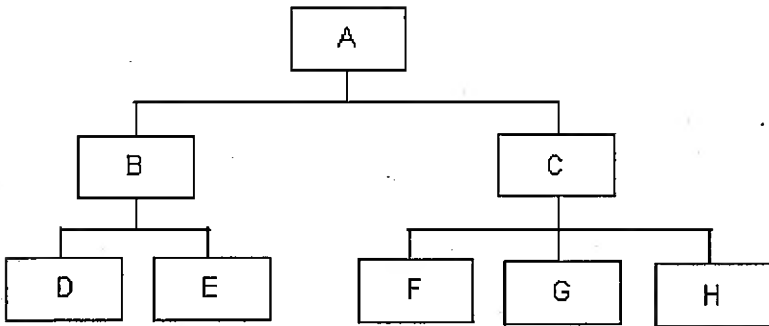


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An organisational chart is an extremely important tool for analysing problems in an organisation and thereby also for analysing problems of the management and problems of day-to-day nature.

Every useful tool may, however, be misused and far too often one can observe organisational charts, which display diagonal lines between the various reporting chains, an attempt to show matters of different nature. These additional lines are evidence for the fact that the organisational chart is utilized to display the existing relationships between the people in the various groups of the organisation, such as those of the departments. It thus fails in its prime function, and instead the information provided becomes confusing and misleading.

Another important matter to recognise is that there is no other significance in the relative position of one person in the chart compared to another. Figure 2 illustrates this point. This organisational chart shows 'B' and 'C' both reporting to 'A'. This fact does not imply that 'B' and 'C' are on the same level in terms of seniority or status within the organisation. For example, 'B' may be the Works Manager and 'C' may be the Head of the typing pool.



**Figure 2**  
**Organisation Chart**



The use of organisational charts for analysing of organisational problems of the management can be illustrated by examples. They deal with problems resulting from the manner in which the work has been divided among the workers/work units and based on their reports, that is to say from the relationships between the managers and their subordinates.

### **DIVISION OF MAJOR TASKS**

The work is divided among work units, such as sub-companies, divisions, departments or groups. The manager of such work unit is responsible for the work carried out by his/her unit as well as for the work carried out by the manager himself.

In respect to the above, some common and basic problems can be solved by means of an organisational chart, while bearing in mind that people often are deeply involved and feel strongly about situations, such as those in which they are directly involved.

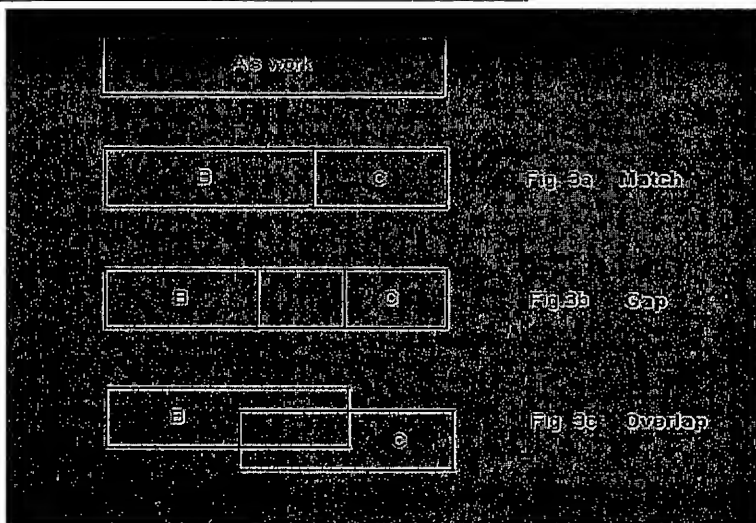
Consider the work under the responsibility of the departmental Head 'A' (see Figure 2). He has divided it among his managers 'B' and 'C'. This is displayed in Figure 3a which illustrates that the work done by the Head 'A' has been divided by him/her among 'B' and 'C' and all is well.

However, assume that 'A' has divided it differently, say as illustrated in Figure 3b. A gap has appeared. Some work that needs to be carried out has not been allocated to anyone and 'A' is unaware of this matter. This implies that in time to come a crisis may occur as this mistake becomes apparent. 'B' or 'C' might have assumed that the other partner was dealing with the matter or that 'A' was handling the work himself. It might also be assumed that another department was handling it. Further, another possibility could be that 'B', having realized that it was not being handled by anybody, in a particular case, simply took it upon himself to carry out the necessary work. This act may, however, cause a colleague unhappiness, and that he/she should actually have been the person to take the responsibility for the task in the first place. Due to the confusion in handling the matter, it may not be carried out very well, as 'B' may not



have the particular skill required to carry out this type of work. Again, having carried out the task once, 'B' may continue to attend to this kind of work in the future and by doing so, come into conflict with his/her other colleagues, who would also like to manage what may have been considered an interesting part of the work.

On the other hand, the work could have been allocated according to what is shown in Figure 3c and this approach raises some additional and interesting possibilities in terms of the interpretation of the behaviour at hand. An overlap in the process of the work is evident; 'B' and 'C' are now responsible for, and supposed to be carrying out the same kind of work. It could thus be carried out twice, by 'B' and by 'C'. If the outcome of their work showed the same results and the two handled the task in the same manner, this fact might not become an issue. However, a problem would arise if the outcome of their efforts showed different results and they approached the task in different manners. Much more serious would the situation become, in the event that 'B' assumed that 'C' was handling it, and 'C' assumed that 'B' was handling it. So, on the one hand the work could be carried out twice, and on the other, it could be forgotten altogether.



**Figure 3**  
**Dividing the Work**



The point being made here is that in this manner the organisational chart can be applied at different levels to look at the work carried out by different people in different groups, so as to settle problems, which may emerge as a crisis situation. This has been experienced in regards to problems generated from work having been carried out twice and work not having been carried out at all and in regards to problems arising between different groups of the organisation in regards to the division of work, that is, who should be doing what.

### ORGANISATIONAL HIERARCHY

The organisational chart enables one to consider the relationships between a particular manager and the subordinates in a very clear and effective fashion. Let us consider some of the *do's* and *don'ts* of these line relationships in the reporting chain.

A further look at the organisation chart illustrated by Figure 2 shows the organisation of a small department consisting of the departmental head, two managers and five assistants. The organisational chart shows the direction of the reporting.

### WORK CO-COORDINATION AMONG PEOPLE

Extending the argument to people working at the same level in an organisation, it may be seen that each of them report to their own immediate manager, and in doing so, only in regards to matters for which they are personally responsible, that is on work carried out by themselves or by their subordinates. For example, manager 'B' reports to the departmental head 'A' only in regards to work for which 'B' and his assistants 'D' and 'E' are responsible. He does not report to 'A' on work carried out by manager 'C' and by C's team and he should not be instructed to make such a report.

The organisational chart (Figure 2) shows that if 'B' were to report to 'A' on work carried out by 'C', by doing so 'B' would in effect be placing him/herself between 'C' and 'A'. A behavior of this nature is generally not very much appreciated by a manager in C's position.



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In other words in Figure 3 the organisational chart shows the division of work and the reporting chain, and if in a case by which this is bypassed, or if responsibility (that is, work) is divided so that one person is responsible (that is, accountable) to two managers, or if the work is divided in such a fashion that two executives are responsible for overlapping work, difficulties can be expected to emerge.

Another point to be made here is that work flow on the one hand and the allocation of work and responsibility for work carried out on the other, are two rather different matters. The organisational chart shows the division (allocation) of work, the responsibility and the reporting chain. Work flow systems are, however, a different matter and do not necessarily correspond to the lines on an organisational chart.

In a hypothetical case, one manager claimed to be responsible to three senior managers and insisted that this was so. The following questions were raised; "To whom are you responsible? Who assesses the quality of your work? Who appraises you? Who makes the decision in regards to any salary increase that you receive at the end of the year?" In an answer, the manager was only able to say that he/she was responsible to three managers.

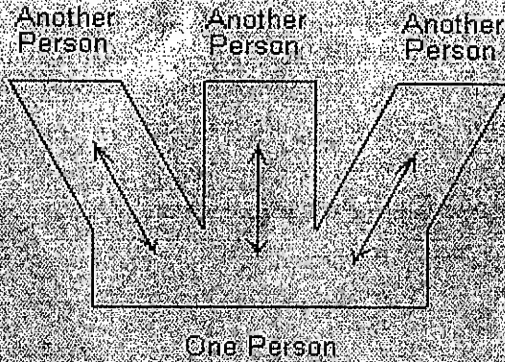
Figure 4 illustrates this point. One manager could well receive work from three other managers, carry out whatever he is expected to do and following that return the work, and which can be viewed from what Figure 4a is illustrating. This action does not mean that he is responsible to three managers simultaneously. In the event that one person was responsible to three managers, the organisational chart would look like that illustrated in Figure 4b, which simply does not make sense and thus, due to the assistance of this sketch, the company was able to clear up the particular confusion.

The allocation of work, responsibility and consequent reporting are matters quite different compared to work flow and one should be cautioned not to confuse one with the other.

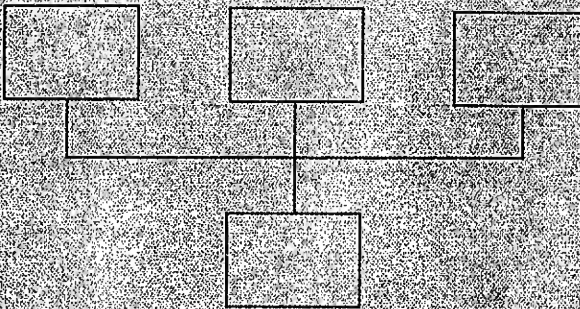
The handling of such matters, as discussed above, would in the first instance take place through communication with the people, and through discussions. Different organisations have different practices.



depending on their style of management, on the prevalent trust, cooperation and teamwork between the employees, but almost invariably, the resulting decision would be confirmed in written communication.



**Figure 4a Work Flow Diagram**



**Figure 4b Organisation Chart showing One Man Responsible to Three Managers**

**Figure 4  
Work Flow Diagram**



### **GESTALT ORGANISATIONAL BEHAVIOR: EMPLOYEES AND WORK GROUPS**

Organisation is a totality concept. The whole is bigger than the collection of its parts. Therefore, the work needs to be further looked at from this perspective and divided among each group in order for one particular kind of work, for which the employees already have the skills and may in the cause of carrying out this work further develop their expertise. Through this process, experience and results may be accumulated and used to improve the level of the standard of the work as well as on previously carried out work.

The implication of this would be that the division of work should be functional and with additional implications that one should carefully study the work carried out by different groups and departments. This should be considered together.

Misunderstandings between employees or groups concerning the division of work, work allocation and their priorities should in the end be resolved at the top level of the organisational chart, where all the communication lines, referring to the groups, meet. At this point lies the responsibility for effective organisation as whole.

### **THE FIVE-STEP ORGANISING PROCESS**

In order to create an organisational structure plan, there are a few steps for a manager to look into and they are as follows:

**Step1: Consider Plans and Goals.** Plans dictate the purposes and the current and future activities of the organisation. New departments may be established; old ones may be provided additional responsibilities; again, some may cease to exist. New relationships between groups of decision makers may come into being as well. The organising process will create a new structure, relationships and modify existing ones. However, the organisational goal remains.

**Step 2: Determine the Work Activities Required to Accomplish Objectives.** What work activities would be required to accomplish the



identified organisational goals/objectives? Preparing a list of tasks to be accomplished by providing priority will be an ongoing task followed by the unique or one-time-only tasks.

**Step 3: Classify and Group Activities.** Managers are instructed to perform three processes:

1. Examine each activity identified to determine its general nature.
2. Group the activities into these related areas.
3. Establish the basic department design for the organisation structure.

**Step 4: Assignment of work and appropriate delegation of authority.** The concept serving as the foundation for this step is the principle of functional definition of empowerment. In establishing departments, the nature, purpose, tasks, and performance of the department must first be determined, as a basis for authority. This step is critical in both the initial and ongoing organising processes.

**Step 5: Design hierarchy of relationships.** This step determines vertical and horizontal operating relationships of the organisation as a whole. Vertical structuring results in a decision-making hierarchy showing who is in charge of each task. Horizontal structuring (1) defines the working relationships between operating departments, (2) makes the final decision on the scope of control of each manager.

### ORGANISING AND THE ISLAMIC PERSPECTIVES

Islam's unitary view of life (an off shoot of *Tawheed*) as an interconnected and homogenous whole clearly contradicts the secular view which sees life as an intricate mechanism of distinct fragments (Nik Mustapha, 2004). This secular world view as adopted by secular nations in the West has had a great influence on the organisational culture. They have for a long time prized highly the technical skills requirement and largely ignored the inter-personal relationships in the organisation. The Western experts after the Japanese experience are even willing to



adopt groupies in building their organisational culture to perform better (Kuczmarski, S.S. & Kuczmarski, T.D., 1995).

Organising from an Islamic perspective should emphasize the fair relationship within and outside the organisation. There are internal stakeholders such as the managers and employees as well as external stakeholders such as the customers, community, and government. Islam underlines the three main aspects: authority, responsibility, and accountability in defining these relationships which are elaborated further as follows.

### **AUTHORITY**

Overall, the organisation that is able to manage its stakeholders relationship is likely to gain greater success. Many studies have been conducted on the management and organisational style of 'Umar Bin Khattab (Jabnoun, 2001) which was successful due to his well-defined relationship among members of his team, discipline of members and mutual respect. His case study is of high importance due to two fundamental reasons:

- a) The establishment of his administration was very successful.
- b) He was the most outstanding person in terms of his religious practice after the Prophet (SAW) and Abu Bakr, nobody would accuse him of "compromising" his Faith and discipline.

Generally, he delegated his authority to Governors or other officials, by applying the basic principle of decentralisation.

Probably, more notably important, would be the fact that he was quite happy to incorporate useful concepts/institutions/technology borrowed from non-Muslims. In his administration the King of Persia used to have a "ministry of Finance." Umar borrowed this idea and introduced it in Medina to handle the financial affairs of the Ummah. Furthermore, when the Muslims entered Iraq, Egypt and Syria, the laws and structure already in place that were useful to the Muslims were kept as before and improvements were made from time to time to them become customary.

There was also an understanding at this time that his administration would benefit by changes in the economic and social



environment. In some cases, Umar changed some rulings that were made by the Prophet (SAW) himself, not due to disobedience, but to find a fit to changes in the environment, as the objectives of the Shari'ah were no longer being attained, these are as follows:

- Prior to the time of Umar, horses were not counted in the *Zakat* – but this fact was changed by Umar, who argued that horses were being used as products of trade in his time.
- During the time of the Prophet, the *jizyah* was one dinar for everybody. Umar changed this to four dinar for the rich, two for the middle income and one for the poor.
- In the original list of those, who were allowed to receive the *Zakat*, one portion was allocated to non-Muslims who were attracted to Islam. This was stopped by Umar arguing that this may only have been called for at the beginning of Islam, but not anymore during his time, when Islam was already well accepted.

During the time of the Prophet (SAW), land that had been conquered in war was to be distributed among those who fought in Jihad. Upon the Muslims arrival in Iraq, Umar found such division unfair to the rest of the population and that the land should be managed by the state.

Such a decision was naturally not appreciated due to the following reasons:

- a) The decision stood contrary to the practice of the Prophet (SAW).
- b) The decision was not well received by the soldiers.

Umar gathered a *Shura* – and invited more people than usual. They had a very open, frank and long discussion and it took Umar three whole days to convince the *Shura* of his idea. This action also shows that an Islamic organisation is essentially based on the following aspects:

- a) Collective decision making.
- b) The above to be made on the basis of consensus although in a final instance, the leader would be required to take the final decision.



- c) Another important aspect to consider in this context would be the difference between the level of authority (which rests at the top) and power (which needs to be shared with subordinates).

### RESPONSIBILITY

Various problems have been experienced in the governance of organisations. There are varieties of interested parties pursuing narrow self-interest without a sense of responsibilities. The shareholders are often visualised as a group interested only in its narrow self-interest of earning money. The top management is often accused of unethical practices or mixing up corporate interest with personal interest. The board of directors in a contemporary organisation is thought of as a group uninterested or ineffectual, or both, in overseeing the affairs of the corporation.

Corporate management is difficult when there are unfair and biased dealings with the many stakeholders and none seems to bother about organisational responsibilities. In Islam, *mas'uuliyah* solves this problem. The term *mas'uuliyah* (responsibility) is not mentioned as such in the Holy Qur'an, although a large number of the epistemological derivations of the verb *sa'ala* may be found. However, a synonym of the word *mas'uuliyah* is mentioned in the Holy book, namely *amaana* (Trust), *Amaana* was mentioned by the Most High, as one of the attributes of the angels, of Gabriel, the trustworthy Spirit, and of the Apostles and the Prophets:

"I am to you an apostle worthy of all trust." (26:107)

The Holy Qur'an addressed the concept of *amaana* (Trust) within the framework of *mas'uuliyah* (responsibility) in the following verse:

"We did indeed offer the trust to the heavens and the earth and the mountains: but they refused to undertake it, being afraid thereof: but man undertook it: he was indeed unjust and foolish."  
(33:72)



The major creatures refused to undertake this Trust, albeit not out of haughtiness, as was the case with Satan, who refused to bow down to Adam, (peace and blessings be upon him). Rather, their refusal was dictated by their modesty, awe and fear of being unable to live up to expected responsibility: "... but man undertook it"; and this was in fact an honor for man. The verse continues by saying: "... he was indeed unjust and foolish." He (man) was unjust vis-a-vis that responsibility, and he was foolish vis-a-vis himself, as he did not realize the requisites for such momentous and tremendous responsibility. Nonetheless, Almighty Allah informs the Muslims that, having shouldered that responsibility, man will eventually emerge from his state of foolishness and injustice. One may in this regard question in what manner. The answer, however, lies in the following statement 'through faith and righteous deeds.' The Almighty Allah says in the Qur'an:

"Allah has promised, to those among you who believe and work righteous deeds, that He will, of a surety, grant them in the land, inheritance (of power)." (al-Nur, 24:55)

The Prophet (SAW) links trust to faith in saying: "He who keeps not the trust has no faith, and he who fulfils not his pledge has no religion."

There is a relationship between *amaanah* (trust), responsibility and the exercise of authority. The perception of Islam in this respect is different from the one developed by some political doctrines and modern governmental ideology. Some thinkers are of the opinion that the state and state responsibility are based on power, not on values and ethics. Trust, as presented by the Holy Qur'an, and responsibility, as perceived by Islam, rest on values. Thus, when addressing the contradictions, which exist the society and the conflict to which they give rise, modern theories and doctrines hold that such conflict can be resolved only through democracy and similar-related concepts. Islam, on its part, however, does not rule out the idea of a conflict, but tones down its intensity through a set of values.

First, Islam considers society, based on love and brotherhood as: "The Believers are but a single Brotherhood."



Second, instead of the term "conflict," Islam puts forth the notion of competition: "And for this let those aspire, who have aspirations." The difference between the concept of conflict and that of competition is indeed a major one. Competition always leads to goodness and breeds creativity; as for conflict, its aim is to beat the other partner, to eliminate him in order to take his place. The concepts of trust and responsibility in Islam are also based on another value, namely that of exchange, complementarity and contract. The contract is set up between the person in charge and his subjects, between the governor and the governed. The governor in charge should be just, and the governed must obey. Hence, the verse mentioned earlier, which continues as follows:

"O ye who believe! Obey Allah and obey the Apostle, and those charged with authority among you." (al-Qur'an, 4:59)

The subtle aspect in this regard is that this contract hinges upon the two concepts, justice and obedience. However, the Holy Qur'an started out by mentioning the concept of justice and following that obedience. To be constructive, the setting up of this contract has to meet several requisites.

The first such requisite would be *shura* (consultation). It should be guided by consultation. *Shura* can be viewed as the Islamic concept of democracy, though the two concepts may not be identical in all respects. *Shura* is mentioned twice in the Holy Quran, first in connection with the tribute paid to the *Ansar*: "(who) conduct their affairs by mutual consultation," and second, when the Almighty commanded the Prophet (SAW) to consult the believers: "and consult them in affairs (of moment)." The Prophet (SAW) used to consult others in matters other than religious, as the latter were settled by the Revelation. As for worldly affairs, he used to seek and give consultation. The Prophet (SAW) said in this regard: "As regards to religious matters, do refer to me (for consultation), but, as for worldly affairs, you hold greater knowledge." This was said by the Prophet (SAW) after he has been consulted by the Companions, regarding the issue of pollination of palm trees. His suggestion was that they should



not be pollinated. It happened that the palm trees did not bear fruit. The Prophet (SAW) then said: "As regards on religious matters, do refer to me (for consultation). And as for worldly affairs, you have greater knowledge."

The Rightly-guided Caliphs also sought consultation. As far as the Muslims are concerned, consultation can only be applied in matters for which there is no text, or in regards to the approach in which to apply an existing text. Consultations may also be applied in connection with emergencies, calamities and other matters of the moment, be they social, economic, educational or otherwise in nature. The only condition in this regard would be that the person consulted must be trustworthy and in this respect, the Prophet (SAW) said: "The person consulted must be faithful. If consulted, he must give the kind of opinion he would give to himself." Consultation may concern the general public, as in the case of the referendum. Consultation may also be applied in the selection of members to form a group, a council or representatives. Thus, consultation would be a first requisite.

The second requisite would be advice. The setting up of the contract should be based on advice. The Prophet (SAW) said: "Religion is advice," and repeated it three times. He meant to show that religion attains perfection through good advice, and that religion is properly followed only through good advice. The Companions, may Allah be pleased with them, replied: "*Advice for whom, o Messenger of Allah?*" The Prophet (SAW) said: "For Allah, for His Book, for His Messenger, for the imams (leaders) of Muslims and for the general public." Advice in regards to Allah implies that the Muslims must believe in Him, comply with His commands and perform the religious obligations He ordained. In regards to His Book, the term implies that the Muslims must believe in its information and apply it; in regards to His Messenger, the term implies that the Muslims must believe in him and oblige him; in regards to the leaders of Muslims the term implies that the Muslims must listen to them, obey them, assist them, stand by their side, guide them and, if necessary, criticise them, and that the Muslims must also invoke Allah's favours upon them; and finally, advice in regards to the general public implies



that the Muslims must educate themselves, guide one another and enhance their awareness, defend their interests and safeguard their rights.

The third requisite would be the command to enjoin right and forbid evil. Next, the contract should be the application of the named command. *Al ma'ruf* (good) is that which people agree to regard as useful and beneficial, that which pleases Allah and is consistent with Shari'ah prescriptions and with the straight human nature, the natural disposition of mankind and proper taste. Its opposite is *munkar* (evil).

Allah, the Most High, has made His commandment "enjoining right and forbidding evil," one of the attributes of the Faithful:

"The Believers, men and women, are protectors, one of another: they enjoin what is just and forbid what is evil." (9:71)

Similarly, the Almighty Allah tells the Muslims, indeed confirms, that He will make the believers prevail, namely those who enjoin right and forbid evil:

"Allah will certainly aid those who aid His (cause) - for verily Allah is full of Strength, Exalted in Might (Able to enforce His Will). (They are) those who, if We establish them in the land, establish regular prayer, and give regular charity, enjoin the right and forbid wrong," (Al Hajj, verse 40)

Again, the Holy Quran mentions the duty of the Muslims in the commandment of enjoining right and forbidding evil and relates it to the Ummah (people of Islam) and the beneficence of the Ummah: "Ye are the best of Peoples, evolved for mankind, enjoining what is right, forbidding what is wrong." (al-Qur'an, 3:110)

You are the best of people and must remain so, for the beneficence is not limited in time. Hence the injunction in the Holy Qur'an: "Let there arise out of you a band of people inviting to all that is good, enjoining what is right, and forbidding what is wrong." (al-Qur'an, 3:104)

The commandment to enjoin right is perhaps easy for them. However, forbidding evil may prove harder to adhere to, especially when evil is a widespread phenomenon in society. Hence, the keen interest in this matter taken on by the Prophet (SAW). He thus said: "He who sees evil must redress it with his hand; if he cannot, then with his tongue; and



if he still cannot, then with his heart, that being the least he can do to show his faith." Redressing evil with the hand is the prerogative of the people in charge and of the authorities, namely those having the right to impose sanctions and to implement them. Remedying evil with the tongue, that is through preaching the good word, is the responsibility of scholars, preachers, educationists, teachers, guides and the various information media, in addition to the influence by scholars entrusted with orientation work. As for redressing evil with the heart, it is the option left for those, who cannot do otherwise. In this respect, there may be people who can raise objections for two reasons.

The first reason is based on the words of the Almighty: "O ye who believe! Guard your own souls: if you follow (right) guidance, no hurt can come to you from those who stray." (5:105) One may say, as did the Companions: 'If we adhere to the right path, why should we care about what others do?' They brought up their interrogation to the Prophet (SAW), who told them: "You still have to enjoin right and forbid evil."

The second reason is related to the latter part of the above *Hadith*: "If you see stinginess rampant among people, heretic tendencies followed and worldly matters preferred." This *Hadith* does not call for isolation or detachment in a quasi-egoistic seclusion, nor does it mean adopting the attitude of a spectator, while evil is getting rampant in society. Those, who are unable to check on evil in the society, must at least start by searching within themselves, their families and parents, in short, among those, who are in their immediate vicinity: the teacher in the school, the civil servant in his administration, the doctor in his practice. This is the meaning of individual duty in Islam. It does not imply selfish isolation, for the Almighty Allah says: "O ye who believe! Save yourselves and your families from a Fire whose fuel is Men and stones." (66:6).

Man is responsible for his children, families and must not neglect his obligations towards them. Rather, man must provide them with proper teaching and orientation to shield them against the fire and torment of Hell. The Almighty Allah cursed those who ceased to enjoin right and forbid evil. He said:



Curses were pronounced on those among the Children of Israel who rejected Faith, by the tongue of David and of Jesus the son of Mary: because they disobeyed and persisted in Excesses. Nor did they (usually) forbid one another from the iniquities which they committed: evil indeed were the deeds which they did. (5:78)

Individual responsibility is the kind of obligation mentioned in the second part of the *Hadith*. This type of responsibility is personal; it concerns the responsibility of the man in his home, the woman in her household, toward her children and husband, the person in charge of the household expenditures, the person in charge at the work place...etcetera. This is the second level of responsibility, which should have been highlighted, while introducing this *Hadith*. This responsibility, as perceived by Islam and described by the Holy Qur'an, takes three aspects into account. First, a religious aspect which concerns the relation with the Almighty Allah; second, the worldly aspect which concerns relations with people and one's society; and a third, internal aspect, which is related to one's conscience and inner self. The three aspects were summed up by the Holy Qur'an in the following verse: "O ye who believe! Betray not Allah and His messenger, nor knowingly betray your trusts." (8:27)

The Holy Qur'an mentions that the Muslims are to be accountable on the Day of Judgment and this on the basis of these three aspects, the religious, the worldly and the innermost one. The Most High says: And say: "Work (righteousness): soon will Allah observe your work."

The first level of accountability, "and His Apostle, and the Believers," The second level, "... soon will ye be brought back to the Knower of what is hidden and what is open: then will He show you the truth of all that ye did," (9:105), so that man may know and his/her conscience be set in motion.

Responsibility is an obligation, which applies across the board: starting from the imam and extending to all the people of the Ummah. It is a general and collective responsibility. Unfortunately, this responsibility is, however, being violated through some practices, which show that the sense of justice, right and accountability has not yet become embedded in everyone. With such a practice, as injustice is the opposite of justice.



Almighty Allah says: "But the wrong-doers, for them has He prepared a grievous penalty." (76.31)

"Injustice is a sea of darkness on the Day of Judgment." In the qudusi Hadith, it is stated: "I have forbidden injustice to myself and prohibited it to you, therefore, do not wrong one another." Falsehood is another evil, which violates the principle of responsibility. Falsehood is the opposite of truth. The Qur'anic verse mentioned earlier in this book says: "And cover not Truth with falsehood, nor conceal the Truth when ye know (what it is)." (2:42)

Almighty Allah also says regarding the necessity to be honest and truthful in one's dealings with people: "And do not eat up your property among yourselves for vanities." (2:188)

Injustice and falsehood are two concepts in practice and which are reflected in an ugly phenomenon, which is widespread in many societies, namely bribery. The Prophet (SAW) said: "The curse of Allah is on the person who bribes and the one who is bribed" another version adds "and the go-between."

These are all practices which violate the notion of responsibility. However, simply stated, responsible people can avoid such pitfalls by observing a set of values and principles, including that of probity: "In the case of those who say, Our Lord is Allah and further stand straight and steadfast," (41:30) "...they will be rewarded in this world and the Hereafter," ...the angels descend on them: "Fear ye not! Nor grieve! But receive the Glad Tidings of the Garden (of bliss) the which ye were promised." (41:30-35) (is an example of reward in this world; reward in the Hereafter).

Sufyaan At-Thaqafi asked the Prophet (SAW): "Tell me a statement in Islam which would dispense me from asking anyone else after you." The Prophet (SAW) replied: "Say: 'I believe in Allah and stand on the straight path.'"

The Almighty Allah ordered the Prophet (SAW) and the Muslims through him, to walk the straight path: "Therefore stand firm (in the straight path) as Thou art commanded." (11:112)

This is the verse the Prophet (SAW) claimed had made him grow "white-haired." He said: "(The surat of) Huud and its sisters have



made me grow white-haired." He was asked: "What in Huud makes you grow white-haired?" The Prophet (SAW) replied: The verse: "Therefore, stand firm (in the straight path) as thou art commanded." Similarly, there is the divine command, as follows: "So stand true to Him and ask for His forgiveness."

"Uprightness" is a term that does not impose on a person to be perfect in all regards, but should ask for forgiveness by the Almighty Allah whenever in error: "So stand true to Him and ask for His forgiveness."

"Virtue" would be the next term, which refers to *attaqwa* (virtue) which is frequently mentioned in the Holy Qur'an: "O mankind! Reverence your Guardian-Lord," "O ye who believe! Fear Allah as he should be feared." (4:1)

At the time this verse was revealed to the Prophet (SAW), the Companions came to him and asked him: "Who can possibly comply with this?" Thereupon the divine words were received: "So fear Allah as much as ye can." Along the same lines, the Prophet (SAW) said: "Fear Allah wherever you are, and work a righteous deed after an evil one, for it will delete it, and deal gently and properly with people."

Such was the Islamic perception of the term "responsibility" at the time of the Prophet (SAW), of the Rightly-guided Caliphs and of the virtuous people, who followed them. A perception of this kind would further serve as an example. Muslims in Islamic countries and indeed in all Third World countries unfortunately look at the West from the angle of moral decadence, deviation and material values, which might spell the end of Western countries, rather than from the perspective of their technological progress and means of production. Muslims look for a model to follow and forget the good example of the Prophet (SAW) and the Companions. The Almighty Allah further draws the attention to the fact that the right pattern of conduct is to be found in the Prophet (SAW):

"You have indeed in the Apostle of Allah a beautiful pattern (of conduct) for anyone whose hope is in Allah and the Final Day, and who engages much in the praise of Allah." (3:31)

The right mode of behavior is also to be sought from the conduct of the Companions, as the Prophet (SAW) said: "My companions are



like to the stars; whomever you follow will provide the right guidance.” He also said: “Adhere to my Sunna and to the conduct of the Rightly-guided Caliphs after me, and hold fast to it.”

Such was the pattern of conduct of the Prophet (SAW) and the mode of behavior of the virtuous predecessors and is required to be recalled today. To whom should this task be handed? Those who should recall these patterns of conduct would be the people in charge, and they are the scholars who transmit and teach the Prophetic *Seerah*, the biography of the Prophet (SAW). Further, they are those who teach Islamic education and Islamic thought; they are those who supervise all educational branches in colleges and universities. However, the model and pattern of conduct must be clear in their minds, so that they may impart them to others. This responsibility, particularly in these times of difficulties, and which are characterised by confusion among people, except from those upon whom Allah extends His Mercy, is required to be set in the proper context. The situation calls for a general mobilisation. This can be achieved only through a clear message, which leaves no room for contradiction or confusion, a message which can revive confidence, enhance credibility and properly determine responsibilities; a message with a clearly-defined goal, based on a balance of view, moderation of word and disciplined action. In short, there is a need for a message which respects the Faith of the Ummah, takes its sufferings into account and heeds its aspirations, a message, which avoids confusion, outbidding tactics, excess and controversy. This message must be geared towards a proper, rational valuation of public interest and of the current juncture and various related circumstances.

### ACCOUNTABILITY

Islamic revealed knowledge sources are clear on the nature of human behavior. The Holy Qur'an provides extensive references to what is the right and wrong behavior. Right behavior is the key to accountability in management. Islam also emphasizes on the issue of responsibility and accountability among human beings in such a manner so one should not find escapism-each person is responsible for his or her own actions.



Although Islam teaches that Allah has predetermined the span of our life and the time of our death, this does not mean that our actions are predetermined by Him. Man surely is free in his actions and therefore, accountable for them. Allah only provides guidance for man to know what is good and what is bad. Allah says: "We created man of a drop of water ... Surely We guided him to the right way now whether he (follows it and) be grateful or (goes astray and) be ungrateful is up to him." (76:3). The management of an organisation does not necessarily have to deprive one stakeholder for not being accountable in order to benefit another stakeholder. It is now being seriously considered as one of the main goals of an organisation in the form of collective behavior of "social accountability." The Qur'an says, "Behold! Each of you is a guardian, and each of you will be asked about his subjects."

### SUMMARY

Organising is the establishing of the internal organisational structure of a business. The focus in this respect is on setting goals, division of work, authority and responsibility, communication and coordination system for the control of tasks and flow of information within the organisation. In this function of management, managers distribute responsibility and authority to holders of the many tasks.

Each organisation has an organisational structure. By action and/or inaction, managers design the structure of the businesses. Ideally, in developing an organisational structure and distributing authority, the decisions of the managers reflect the corporate mission, objectives, goals and tactics that grew out of the planning function.

Authority is a legitimised power. Power is the ability to influence others. Delegation of power is distribution of authority. Delegation frees the manager from the 'tyranny' of urgency. Delegation frees the manager to spend his time on high priority activities. Delegation of authority, however, does not free the manager from accountability for the actions and decisions of subordinates reporting to him.

Organising from the Islamic perspective includes the concepts of managing mutual relationship in a system of authority, responsibility



and accountability. The proper coordination of these functions may assist in executing decisions that may eventually allow Muslim managers to seek the pleasures of Allah.

## QUESTIONS

1. Describe the importance of an organisational chart in the process of organizing. What should the structure of Islamic organizations be?
2. Define the concepts of Authority, Responsibility, and Accountability with reference from the Qur'an and Sunnah.
3. What are the principles of Organising? In what manner should these principles be implemented in a so called Islamic Organisations?
4. What is the difference in organisational design from the Islamic perspective and that of a conventional view point?
5. Compare and contrast Umar ibn Khattab's organising style with that of contemporary management of organisation.

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## *Chapter 6*

### **LEADING**

These topics and sub-topics have been indicated in the beginning of the chapter for the quick reference and easy access by the readers. Beside this chapter which also begins with an introduction and ends with a summary, relevant questions and references are given to the end. The chapter discusses the following topics.

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## INTRODUCTION

Leading is a function held and carried out by leaders and thus managers in an organisation. Good leaders (managers) are made, not born. If one has the desire and willpower to take on the role of a leader, one can become an effective leader. Good leaders develop through a never-ending process of self-study, education, training and experience. This chapter guides the readers through such a process.

To inspire people to aim at higher levels of performance and teamwork, there are certain aspects one should take into consideration and they may be referred to as the “be,” “know,” and, “do.” These aspects do not come naturally, but are acquired through continuous work and study. The best leaders are constantly working and studying to enhance their leadership skills.

In defining the concept of leadership, one may say it is a complex process by which a person influences others to work towards the fulfillment of a particular mission, to accomplish a task, or an objective of, for instance, an organisation, and direct it in such a manner as to make it more cohesive and coherent. A person proceeds within this process by applying his leadership attributes: belief, values, ethics, good character, knowledge and skills. Although the position of a manager and that of a supervisor provides the authority to accomplish certain tasks and objectives in the organisation, this *power* by itself does not make for a leader, it simply makes a person the *boss*. The idea behind the concept of leadership makes people *want* to achieve high goals and objectives, while, on the other hand, ‘bosses’ simply tell people to accomplish a task or objective.

Bass’ (1989) theory of leadership stated three basic approaches, while explaining the manner in which people may turn leaders. These approaches are as follows:

1. Some personality traits may naturally lead people into the role of leadership. This approach is called the trait theory.
2. A crisis or an important event may cause a person to rise to the occasion, and which may be instrumental in bringing out extraordinary leadership qualities in an ordinary person. This approach is called the great event theory.



3. People can choose to become a leader. People can obtain leadership skills. This approach is called the transformational leadership theory.

The first two approaches explain the development into leadership of a small number of people. The third is the most widely accepted theory today and the premise on which this chapter is based. When a person decides to respect an individual as a leader, he does not consider the attributes of this leader. He observes the behavior of that leader, so as to know what kind of person he really is. The outcome of this observation will tell to what extent the particular leader is going to become an honourable and trusted leader, or a self-serving individual, who will misuse his authority to attract promotion. Self-serving leaders are not as effective, as their employees would only obey them, not follow their example. They may succeed in many areas, because they do present a good image to their seniors, but at the expense of their people.

The basis of good leadership would be an honourable character providing selfless service to one's organisation. In the eyes of the employees, one's leadership is every action taken that affects the objectives of an organisation as well as its well being. A respected leader concentrates on what he 'is' (beliefs and character), what he '*knows*' (work, tasks, human nature) and what he '*does*' (implement, motivate, provide direction).

What specifically motivate individuals to follow a person as a leader? People want to be guided by those whom they respect and who displays a clear sense of direction. To gain respect, such individuals must apply ethics in their behavior. A sense of direction may be displayed by conveying a strong vision of the future.

### KEY TRAITS OF LEADERSHIP

In an attempt to decide on the desired key traits in a leadership, a study examined over 75 key components of employee satisfaction. The following lists the outcome of the study:



1. *Trust and confidence* in the top leadership was the single outmost reliable predictor of employee satisfaction in an organisation.
2. *Effective communication* by the leadership in particularly three critical areas was the key to winning organisational trust and confidence they are:
  - a. Assisting the employees in their understanding of the overall business strategy of the company.
  - b. Assisting the employees in understanding how they may contribute in achieving the key business objectives of the organisation.
  - c. Sharing information in regards to the performance of the company as well as that of the division of an employee– this is relative to a cascading business objective.

Basically, one must be trustworthy and have the ability to communicate the futuristic vision of the company, as an attempt to explain to the employees the performance of the company as a whole.

The following section outlines, the “Principles of Leadership” in the manner in which they are closely associated to the leadership traits.

## PRINCIPLES OF LEADERSHIP

In regards to the aspects of the “know,” “be” and ‘do’, which one should adhere to, follow the eleven principles of leadership listed below (the following sections will include discussions that provide an insight into these principles and tools as to how to practice them):

1. **Know oneself and seek self-improvement.** In order to know oneself, one has to understand one’s be (human being), know (knowledge), and do (actions), attributes. Seeking self-improvement means continuously strengthening these attributes since they contribute to one’s personality development. This can be accomplished through reading, self-study, attending training courses, etcetera.
2. **Be technically proficient.** As a leader, one must know



one's task and be much familiar with those of one's employees.

3. **Seek and take responsibility for one's actions.** Search for approaches to guide the organisation to new heights. In times of difficulties, these may come sooner or later, do not pass the blame to others. Analyze the situation, take corrective action, and move on to the next challenge.
4. **Make sound and timely decisions.** Apply good methods in problem solving, in decision making, and planning tool .
5. **Set example.** Be a good role model for the employees. They should be allowed the opportunity not only to learn what they are expected to carry out, but also to see this in action.
6. **Know the people in the organisation sincerely looking after the workers' welfare.** Know human nature and the importance of sincere care for the workers.
7. **Keep the employees informed.** Know how to communicate with the employees, seniors, and other key individuals within the organisation.
8. **Develop a sense of responsibility within the employees.** Develop good character traits within the employees that will assist them in carrying out their responsibilities professionally.
9. **Ensure that tasks are well understood supervised, and accomplished.** Communication is the key to the above responsibility of a leader.
10. **Train the employees to function, as a team.** Although many so called leaders refer to their organisations, departments, or sections, as a "team", these entities are not in the real true meaning a "team". They are just a group of people carrying out their tasks.
11. **Utilize the full capability of the organisation.** By cultivating a team spirit, one would be able to employ the organisation, department, section, etcetera, to its fullest capability.



## **FACTORS AFFECTING LEADERSHIP**

There are four major factors affecting leadership styles. These factors need the attention of a successful corporate leader.

**Know One's Followers (Employees).** Different people may require different styles of leadership to excel in their performance. A new employee may, for example, require more supervision than one with experience. A person with a poor attitude towards work may require a different approach in terms of supervision than one with a high degree of motivation. Therefore, one must know one's people! The fundamental starting point is having a good understanding of human nature in terms of needs, emotions, socialisation, and motivation among others. One must know the "be", "know", and "do" attributes of the employees.

**Leader.** As a leader one must have an honest understanding of one's personality, one's level of knowledge, as well as skills. Also, it is the followers, not the leader, who determine to what extent one is considered a successful leader. In the event that a follower loses his trust, and consequently confidence in a particular leader, that person would suffer from a lack of inspiration. To be successful, a leader has to be convincing to his followers, and his behavior must be worth emulating.

**Communication.** One leads through a two-way communication much of which is nonverbal. For instance, by "setting an example," one indirectly communicates to the people that one would not instruct anyone to perform something that would not be willingly carried out by oneself. The content and manner in which one communicates within an organisation either build or harm the relationship between oneself, as a leader, and the followers (employees).

**Situation.** No situation can be the same and the manner in which one handles matters in one leadership situation may not always work well in a different situation. One must apply good judgement to decide the best course of action and the leadership style required for each situation. One



may, for example, be required to confront an employee for inappropriate behavior, and if the confrontation is handled too late or too early, or is too harsh or too weak in its approach, the outcome may prove ineffective.

Various forces will have their respective affects on the above. Examples of such forces would be one's relationship with the senior staff members, the skill of the people, the informal leaders within the organisation, and in what manner the company is organized.

### ATTRIBUTES OF A GOOD LEADER

A leader that can be trusted will gain the respect of the people around him. To be a good leader, there are a number of aspects that one must take into consideration, such as the "be", "know", and "do". These aspects fall under the so called "Leadership Framework," as follows:

- **BE** a professional. Examples: Be loyal to the organisation, perform selfless service, and take personal responsibility.
- **POSSESS** good character traits. Examples: Practice honesty, competence, candor, commitment, integrity, courage, straightforwardness, creativity are but a few.
- **KNOW** the above stated four factors of leadership. Examples: The follower, the leader, the communication and the situation.
- **KNOW** yourself. Examples: Hold knowledge of the strengths and weaknesses of one's character, knowledge and skills.
- **KNOW** human nature. Examples: Hold knowledge of human needs and emotions, and of the manner in which people socialise and respond to stress.
- **KNOW** one's task. Examples: Be proficient and able to train others in their tasks.
- **KNOW** the organisation. Examples: Hold knowledge of where to locate required assistance within the organisation, its corporate climate and culture, and among the unofficial leaders.
- **DO** provide direction. Examples: Provide goal setting and manage good problem solving, decision making, and planning.



- **DO** implementation. Examples: Implementation by communicating, coordinating, supervising, enforcing, and evaluating.
- **DO** motivate. Examples: Cultivate good moral esprit within the organisation, train, coach and provide counseling.

### **CORPORATE ENVIRONMENT**

Every business organisation has a particular work environment that to a considerable point dictates the degree to which its leaders respond to problems and opportunities. This is an aspect brought about through the heritage of its past and present leaders. Leaders may exert influence on the corporate environment through the impact of three types of actions:

- The goals and performance standards, which they have established.
- The values, which they have established and corporate culture cultivated within the organisation.
- The business and people concepts, which they have established within the organisation.

Successful organisations have good leaders, who set high standards and goals across the entire spectrum of activities, such as through strategies, market leadership, plans, presentations, productivity, quality and reliability.

Values cherished in an organisation reflect on the corporate culture and management's concern for its employees, customers, investors, vendors and surrounding community. These values define the manner in which business is to be conducted and the type of business the organisation will engage in.

Concepts define what products or services the organisation will offer and the methods and processes for the conduct of business.

These goals, values, and concepts make up the "personality" of the organisation or the "manner the organisation is viewed by outsiders and insiders." This personality defines the roles, relationships, rewards, and rites that take place within the organisation.



Roles are the positions within the organisation that are defined by a set of expectations about the particular behaviour of any incumbent task. Each role has a set of tasks attached to it as well as responsibilities and that may or may not be explicit spelled out. Roles have a powerful effect on human behavior, because money is paid for the performance by the role. Prestige is further attached to a role, in terms of a sense of accomplishment or a challenge, etcetera.

Relationships in an organisation are determined by the task to be performed by a role. Some tasks are to be performed alone, but most of the tasks are to be carried out in relationship with others. The various tasks will act as a determinant of who the role-holder is required to interact with, with what frequency, and towards what end. Again, the greater the interaction between the various role-holders, the greater the appreciation among them will be. This will in turn lead to more frequent interactions. Within the sphere of human behavior, it may be difficult to like someone with whom the contact is sparse, and the tendency is to seek out those who are more agreeable. People tend to repeat behaviour that are rewarded, and friendship is a powerful reward. Many tasks and behaviors that are associated with a role are brought about through such relationships and that is the manner in which new tasks and behaviours come to be expected of the present role-holder, because of the development of a strong relationship in the past, either by the current prior or role-holder.

Against the background of the above, there are two distinct forces that dictate human behaviour and thus relationships within an organisation culture and climate.

Each organisation has its own distinctive culture. It is a combination of philosophy of the founders, past and present leadership, organisational crises, events, history and its size. This results in specific rites that are the routines, rituals and the "way things are being done" within an organisation. These rites have their impact on individual behaviour, on what is considered to be in good standing (the norm) and directs the appropriate behaviour for each circumstance.

The climate is the atmosphere of the organisation, the individuals, shared perceptions and attitudes of the members of the organisation.



While the culture is the deeply rooted nature of the organisation, that is, the result of long-held formal and informal systems, rules, traditions and customs; climate is a short-term phenomenon created by the present leadership. Climate represents the beliefs about the “feel of the organisation” held by its members. This individual perception of the “feel of the organisation” comes from the manner in which people experience matters in regards to the activities that occur within the organisation. These activities influence both the motivation and satisfaction of individuals and of teams.

Organisational climates are directly related to the leadership and management style of the leader based on the values held, attributes, skills and actions, as well as the set priorities of the leader. The ethical climate then is the “feel of the organisation” in regards to the ethical aspect of activities or to any aspects of the work environment that constitute ethical behaviour. The ethical climate is the “feel” in regards to the extend to which matters are being handled right, or the feel as to the extend the behavior of the members of the organisation meet with the expectations. The behaviour (character) of the leader is the most important factor, which has an impact on the climate.

On the other hand, culture is appreciated as a long-term, complex phenomenon. The concept of culture represents the shared expectations and self-image of the organisation, the mature values that create “tradition” or the “way things are being done here.” Matters are managed differently in every organisation. The collective vision and common folklore that define the institution are a reflection of culture. Individual leaders cannot easily create or change culture, because culture is an integral part of the organisation. Culture influences the characteristics of the climate through its effect on the actions and thought processes of the leader. However, every behavior of an individual in the position of a leader will have an effect on the climate of the organisation.

### **LEADERSHIP MODELS**

Leadership models assist in understanding what makes leaders act in the manner they do in specific situations. The point is not to lock oneself into



one type of behaviour being discussed in the model, but to realise that every situation calls for a different approach or behavior. The following two models the *Four Framework Approach* and the *Managerial Grid* will be discussed below.

In the *Four Framework Approach*, Bolman, Lee and Deal (1991) suggested that leaders display leadership behaviours according to one of the following four types of frameworks: Structural, Human Resource, Political, or Symbolic frameworks. The style of leadership can either be effective or ineffective, depending upon the chosen behavior in particular situations.

**Structural Framework.** In an effective leadership situation, the leader is a social architect whose leadership style is to conduct analysis and create designs. In an ineffective leadership situation, the leader is a petty “tyrant,” whose leadership style is concerned with details. Structural leaders focus on aspects such as structure, strategy, environment, implementation, experimentation and adaptation.

**Human Resource Framework.** In an effective leadership, the leader functions as a catalyst and servant, whose leadership style is to support, advocate and allow empowerment. In an ineffective leadership situation the leader is a “pushover,” whose leadership style is that of abdication and fraud. Human Resource leaders believe and hold trust in people and communicate that belief; they are further visible and accessible; they again allow for empowerment, increase participation, provide support, share information, and allow for downwards movement of the decision making within the organisation.

**Political Framework.** In an effective leadership situation the leader is an advocate, whose leadership style is coalition building. In an ineffective leadership situation the leader is a “hustler,” whose leadership style is manipulation. Political leaders clarify what they expect and what they can receive; they further assess the distribution of power and interests; they build linkages to other stakeholders; applying firstly persuasion, following that negotiation and finally coercion, if necessary.



**Symbolic Framework.** In an effective leadership situation, the behaviour of the leader is that of a prophet, whose leadership style is to provide inspiration. In an ineffective leadership situation, the leader is a fanatic or fool, whose leadership style is smoke and mirrors. Symbolic leaders view organisations as a stage or a theater, wherein certain roles are to be played and impressions to be provided; therefore, these leaders apply symbols to capture attention; they try to frame an experience by providing plausible interpretations of such experiences; they further discover and communicate a vision.

The above model suggests that leaders can be put into any one of the four categories and there are times, when one approach may be appropriate and at others, that particular approach would not be so. Any one of these approaches alone would be inadequate. One should be conscious of all four approaches and not simply rely on one. For example, during a major organisational change, a structural leadership style might be a more effective approach than a visionary leadership style; while, during a period, when strong growth is required, the visionary approach might be more appropriate. Understanding of oneself is also essential as each human being tends to have a preference in regards to approach. To be conscious of these at all times and be aware of the limitations of one's favoured approach are of importance.

The Blake and Mouton's *Managerial Grid* (1985) uses two axis model: "Concern for people" is marks the vertical axis and "Concern for production" along the horizontal axis (Figure-1). They both have a range of 1 to 9. The notion of that just two dimensions can describe a managerial behaviour has the feature of simplicity. These two dimensions can be drawn as a graph or grid accordingly as follows;



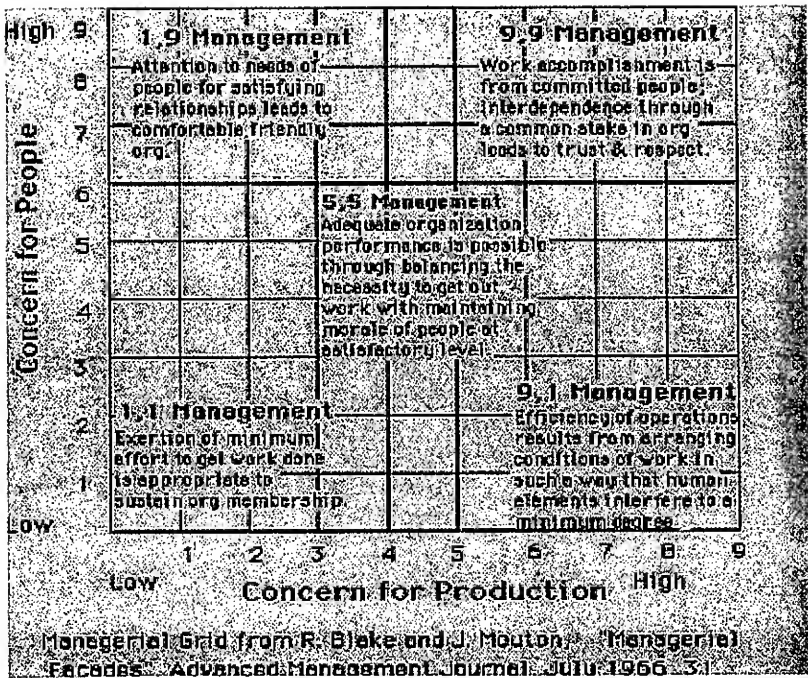


Figure 1

Reading the scores of a study in this respect would show that most people may fall somewhere near the middle of the two axes. However, by bringing the matter to the extremes, that is, those who may score on the far ends of the scales, four types of leaders emerge: the 'Authoritarian' (9 on task, 1 on people), the 'Team Leader' (9 on task, 9 on people), the 'Country Club' (1 on task, 9 on people), and the 'Hopeless Leader' (1 on task, 1 on people).

**The Authoritarian Leader.** high task, low relationship: 9, 1. People, who get this rating are very much task oriented and with high expectations on their workers they are autocratic. And there is little or no allowance for cooperation or collaboration. Heavily task oriented people display these characteristics: they are very particular about schedules; they expect people to carry out what they are instructed to do without question



or debate on the matter. In the event that matters do not work appropriately, they tend to focus on who is at fault rather than to concentrate on exactly what may be the contributing factor to the matter and how to prevent it from being repeated; they are further intolerant of what they appreciate as dissent (it may just be someone's creativity), so it is difficult for their subordinates to make contribution or to develop as human beings.

**Team Leader.** high task, high relationship - 9, 9. This type of leader leads by positive example. He endeavours to foster a team environment in which all team members are able to reach their highest potential, both as team members and as people. The leader encourages the team to achieve goals as effectively as possible, while simultaneously working tirelessly towards the strengthening of the bonds among the various members. These leaders form and lead the most productive teams.

**Country Club Leader.** low task, high relationship - 1, 9. This leader predominantly applies power to maintain discipline and to encourage a team to accomplish its goals. Conversely, this leader is almost incapable of employing the more punitive coercive and legitimate powers. This inability may result from the leader's fear that application of such powers could jeopardize his relationships with the team members.

**Hopeless Leader.** low task, low relationship-1, 1. This person (impoverished leadership style) applies a "delegate and disappear" management style. Since he is not committed to either task accomplishment or its maintenance, he essentially allows the team members to carry out what ever they wish and prefers to detach himself from the team, causing it to suffer from a series of power struggles.

The most desirable location along the two axes for a leader would mostly be at the coordinate at 9 for task and 9 for people, which would be the "Team Leader." However, one should not entirely dismiss the other three types of leadership. Certain situations might call for one of any of the other three to be applied at times. For example, by playing the



role of the Impoverished Leader, one may allow one's team to gain self-reliance, and taking on the role of an Authoritarian Leader one may instill a sense of discipline in an unmotivated worker. By carefully studying the situation and the forces affecting it, an inept leader would know at what point along the axis one might be required to be located at in order to achieve the desired result.

**The Process of Leadership:** The road to great leadership as discussed by Kouzes & Posner, (1987), defines the process of leadership adopted, that is commonly applied to successful leaders and which is as follows:

1. Challenge the process: First, locate a process that following an evaluation, one may see the requirement for improvement as the most essential.
2. Inspire a shared vision: Next, share one's vision in words that can be understood by one's followers.
3. Enable others to act: Provide the employees the tools and methods to solve a problem.
4. Model the direction: When the process become challenging, one should be willing and ready and not be afraid of carrying out difficult work. A boss instructs others what to do, but a leader shows the actual approach, as to how a task is to be carried out.
5. Encourage the heart: Share the glory experienced by one's followers, any pain should be kept in one's heart.

### ISLAMIC PERSPECTIVE OF LEADING

The Islamic concept of leadership is derived from the doctrine of Tawheed and started with Muhammad (SAW) himself. He never claimed to be more the person unto whom God had revealed the truth. The essence of the *Seerah* is the exercise of benevolent power and authority to achieve the divine purpose, and this is linked to the idea of leadership. Allah says twice in the Qur'an: "He it is who has sent the Prophet with guidance and the *deen* of Truth so that it may become dominant over all other systems, however much the *mushrikeen* may be averse to it" (9:33, 61:09). To make Islam the dominant religion again, Muslims would have



to acquire benevolent power and the support of the followers by repeating the method of the noble Messenger of Allah, that is by following his Sunnah (life-example) and *Seerah*. Even before he received power in Mecca, the Prophet was the leader of the small group of Muslims, over whom he exercised authority. Following the *hijra* (migration) from Mecca to Medina, he established the Islamic state and became its ruler. The Prophet thus combined in his person, the authority of the Messenger, the head of state, and the commander of the army. The *Seerah*, therefore offers an important lesson in leadership, an essential pre-requisite for transforming any society into an Islamic state. This process of transformation is the quintessential model for all Muslims to follow in their struggle to transform their societies.

With the end of the Prophet's mission on earth, Prophetic history as well as Prophetic leadership also came to an end (33:40). Muslims are now to choose their leaders according to the guidelines provided in the Qur'an and as exemplified by the *Seerah*. Muslims, therefore, need to inquire as to what the requirements for leadership are in Islam: who may qualify to become a leader; the manner in which and by whom he/she is to be chosen; and the duties and responsibilities.

### **LEADER VIS-A-VIS RULER**

It may at this stage be appropriate to clearly differentiate between the terms "leader" and "ruler." While the two terms are often applied interchangeably, they do not carry the same meaning in Islam. A leader has certain inherent qualities rather independent of any office he may hold in an organisation. These include both qualities in terms of personal God-fearing character (*taqwa*) and the ability to motivate others towards the realization of specific organisational goals or objectives. Inherent in this term is also the assumption that the leadership is accepted by the employees; that he has not imposed himself by physical force or other coercive means. Similarly, his authority is not dependent on any office he may hold. The authority of a ruler, on the other hand, is linked directly to his office, and without it, he may be powerless and therefore, quite ineffective. Examples of this kind of ruler are abound everywhere in the



corporate world today. Thus, the style of leadership applied by a monarch, president or a prime minister may not necessarily be well suited for the task, but each derives his authority from the office held. The corporate world is competitive and survival is based on something not necessarily being part of the character of the rulers.

In nature, there is a hierarchy based on power. The dictum "might is right" applies in the jungle; however, human beings also frequently resort to it. Islam, on the other hand, regulates power so that it does not lead to injustice in a society. This is crucial, as the holder of office exercises power and authority over others, which can easily lead to abuse.

### **QUALITIES OF A MUSLIM LEADER**

What may disqualify a person from becoming a leader has already been discussed in the preceding sections from the Qur'anic verse 2:124. The following will examine the qualities a person must possess in order to qualify for leadership in Islam. Some of these are enumerated in the verse in whom Allah (swt) addresses the Prophet (saw):

"It was by the mercy of Allah that you (O Prophet) were lenient with them, for if you had been stern and hard-hearted, they would have dispersed from around you. So forgive them and seek mercy for them and consult with them in the conduct of affairs. And when you have resolved [on an issue], then put your trust in Allah. Lo! Allah love those, who put their trust in Him" (al-Qur'an, 3:159).

From the above it can be observed that a number of points are highlighted, such as a leader must be kind, compassionate and forgiving towards those whom he leads. If he is harsh in his treatment, they will abandon him as a leader. He must also consult them and once a decision has been made, Allah then commands that no weakness must be shown and the policy must be pursued with single-mindedness as to the purpose, determination and courage.

A good example of this took place prior to the battle of Uhud. When the leaders of the Ansar realised that the decision to go out of the



city to fight was contrary to the wishes of the Prophet, they wanted to reverse it. The Prophet, however, felt that once the decision was made, they should abide by it. He also reminded them that they were to obey him, as only then would Allah grant them victory. This episode emphasises the importance of a leader to be resolute and the people to be obedient to him. Qualities of mercy and forgiveness by the leader are stressed in other verses of the Qur'an (9:128; 15:88).

Imam Ali (*ra*), the fourth *Khalifah*, in discussing the qualities of a leader, said: "O People! You know that it is not befitting that one, who is greedy, and parsimonious should attain the rule and authority over the honour, lives and incomes of the Muslims, and the laws and ordinances enforced among them, as well as the leadership of them. Furthermore, he should not be ignorant and unaware of the law, lest he in his ignorance misleads the people. He must not be unjust and harsh, causing people to cease their approaches to and dealings with him due to his oppressive attitude. Nor must he fear other states, in that he may seek the friendship of some and deal with others with enmity. He must refrain from accepting bribes, when in judgment, so that the rights of men are not trampled underfoot and the claimant does receive his due. He must not leave the Sunnah of the Prophet and the law in abeyance, not to bring the community to fall into misguidance and peril."

Based on the above, the following elements in terms of qualities of an Islamic leadership may be established accordingly;

1. knowledge and *hikmah* (wisdom, insight)
2. *taqwa* (God-fearing)
3. '*adl* (justice) and *rahmah* (compassion)
4. courage and bravery
5. *shura* (mutual consultation)
6. decisiveness and being resolute
7. eloquence
8. spirit of self-sacrifice
9. *sabr* (patience).



## LEADERSHIP DEVELOPMENT AND ENTREPRENEURSHIP

A person may be thrust into a position of leadership both by circumstances and by his ability to motivate and lead others towards the realization of a particular goal. When a group of people accepts a particular vision, this fact creates a movement for change. The leader, however, must firstly articulate the vision and demonstrate the ability to turn it into action by aligning performance with vision. By doing so, he creates a climate for success for the realisation of the stated goal. Islam applies a radically different approach from other systems in that it discourages the practice of someone seeking leadership, that is, if a person desires power and glory, rather than serving the people by implementing the divine laws, he is not considered fit to hold the position. In a well-known Hadith, the noble Messenger of Allah has said that the person, who seeks leadership is not fit to assume it. On another occasion, he advised his companion, Abdur-Rahman as-Samurra (*ra*) not to seek a leadership position, for if he did, he would receive no help from Allah, which is only provided to those who do not seek positions. If seeking the position of leadership is discouraged in Islam, one may thus question: what is the mechanism, whereby a person is identified or chosen for leadership? The answer lies in the tasks a person performs that propel him into a leadership position. These may be enumerated as follows:

1. Articulate one's goal or vision clearly and demonstrate a personal conviction in regards to the matter.
2. Inspire a group of people to follow.
3. Evaluate the prevailing situation accurately and devise appropriate strategies to deal with it, including surmounting problems, difficulties, etcetera.
4. Initiate, guide, direct and control change towards the desired goal.
5. Ensure continuous cooperation of a particular movement.
6. Continually expand the movement to strengthen it.
7. Inspire members of the movement to such a degree that they are prepared to fight and even die for the cause.
8. Provide satisfaction by allowing the members to feel that their mission has a noble purpose.



A successful leader is one who attains his/her ends in the best possible manner, with the least inconvenience to the members of the team, at the minimum cost, in the shortest time and with a high quality performance. With modern techniques, there are several approaches in handling this, but the path adopted by Prophet Muhammad (SAW) stands out, as it was by the Divine guidance of Allah that he became the supreme leader of the human race: "Truly, in the Messenger of Allah, you have an excellent example." [al-Qur'an, 33:21].

The following abilities of an exemplary leader are highlighted by the Qur'an and hadith.

### **Ability**

Let there become of you a nation that shall call for righteousness, enjoin justice and forbid evil. Such men will surely triumph [al-Qur'an, 3:104].

### **Calmness**

The strong man is not the one who overcomes others by his strength, but the one who, though angry, controls himself [Sahih al-Bukhari].

### **Dependability**

Those who faithfully observe their trusts and their promises...are the heirs of Paradise; they shall abide in it forever [al-Qur'an, 23:8].

### **Fairness**

We sent our messengers with explanations and sent the scriptures and the scales of justice down with them, so that men may conduct themselves with fairness [al-Qur'an, 57:25].

### **Genuineness**

A person is perfect in his religion (Islam) when he leaves alone that which does not concern him [at-Tirmidhi].

### **Honesty**

You who believe, heed God and stand by those who are truthful [al-Qur'an, 9:119].



There are three signs of a hypocrite: when he speaks, he lies; when he makes a promise, he does not keep it; when he is trusted, he betrays [narrated by Abu Hurairah].

### **Initiative**

Every magnificent and important project not begun with the praise of Allah, remains defective [abu Dawud].

### **Judgment**

Whenever you judge between people, you should do so with fairness. [al-Qur'an, 4:58].

### **Knowledge**

Do not be quick to recite the Qur'an before its revelation has been accomplished, but rather say: "Lord, increase my knowledge" [al-Qur'an, 20:114].

### **Modesty**

Now whatever ye have been given is but a passing comfort for the life of the world, and that which Allah hath is better and more lasting for those who believe and put their trust in their Lord [al-Qur'an, 4:36].

### **Nobility**

O mankind! We created you from a single (pair) of a male and a female and made you into nations and tribes that ye may know each other (not that ye may despise each other). Verily the most honored of you in the sight of Allah is (he who is) the most righteous of you. And Allah has full knowledge and is well acquainted (with all things) [al-Qur'an, 49:13].

### **Responsibility**

Each one of you is a Guardian and responsible for those of whom he is in charge. The Ruler is a Guardian and thus responsible for his subjects. A man is the Guardian of his family and is responsible for those under his care. In like manner, each one of you is a guardian and is responsible for what he is entrusted with [narrated by Umar].



### **Sacrifice**

Ye will not attain unto piety until ye spend of that which ye love. And whatsoever ye spend, Allah is aware thereof [al-Qur'an, 3:92].

### **Teamwork**

And hold fast all together by the rope which Allah (stretches out for you) and be not divided among yourselves; and remember with gratitude Allah's favour on you; for ye were enemies and He joined your hearts in love so that by His grace ye became brethren; and ye were on the brink of the pit of fire and He saved you from it. Thus doth Allah make his signs clear to you: that ye may be guided? [al-Qur'an, 3:103].

“Faithful believers are to each other as the bricks of a wall, supporting and reinforcing each other,” So saying, the Prophet Muhammad clasped his hands by interlocking his fingers [Sahih al-Bukhari].

### **Understanding**

And this is a blessed Scripture which We have revealed. So follow it and ward off (evil), that ye may find mercy [al-Qur'an, 6:155].

### **Versatility**

When you see a person seeking an object earnestly, assist him to attain his ends. And never ask for a reward except that given by Allah [hadith of Ash-Shifa].

### **Zeal**

When three people set out on a journey, they should appoint one of them as a leader [abu Dawud].

Among the most important and eternal principles of Islam is the principle of leadership, which is also called guardianship. In Islam, the leadership of society is a divine responsibility that is not left to just anyone to hold and Allah makes this fact known to people, those righteous and worthy persons, whom He has chosen to perform this important task. During the time of the Prophet (SAW), the leader and guardian of the



Islamic society was of course the Prophet (SAW) himself, and he was never irresolute about performing this important task. He received laws and commands from Allah and communicated these to the people. He was commanded by Allah to implement in the society, the social and political laws of Islam, and to lead, through his sacred leadership, the society to the path towards perfection. The management of all the political and social affairs of the society was in his hands. The orders for jihad (Islamic holy war) were issued by the Prophet (SAW), and he personally appointed the commanders of his forces. Such responsibilities he would confer to the people, but the final decision was always taken by him, and Allah gave him complete authority in this regard.

The Prophet's (SAW) decisions took precedence over the immediate wants of the people, as he was aware of their best and long-term interests, and was further in a better position to guide and lead them towards felicity and freedom.

In the Qur'an Allah tells the Muslims: "The Prophet is more in authority over the Believers than they themselves." But this leadership and guardianship was not limited to the people of the time of the Prophet (SAW). Rather, the requirement for a divine leader and guardian is prevalent for all times.

## SUMMARY

Leadership is imperative for moulding a group of people into a team, shaping them into a force that may serve as a competitive business advantage. The leader knows the manner in which to direct people to function in a collaborative fashion, and to motivate them to excel in their performance. Leaders also know the manner in which to balance the individual and the team with the corporate goal of producing an outcome that exceeds the sum of individual inputs. Leaders require that their team members forego the quest for personal best in concert with the team effort.

Effective leaders do recognize that their knowledge is very little in comparison to existing knowledge. To be more proficient in pursuing and achieving objectives, one should be open to new ideas, insights, and



revelations that can lead to better approaches in accomplishing goals. This continuous learning process can be exercised, in particular, through engaging oneself in a constant dialogue with one's peers, advisers, consultants, team members, suppliers, customers and competitors.

Leading others is not simply a matter of style, or following someone, who guides or inspires. Ineffectiveness of leaders seldom results from a lack of know-how, rather it is typically the result of inadequate managerial skills. Leadership is not even a matter of creating a great vision, but a matter of creating conditions under which followers can perform independently and effectively toward a common corporate objective.

Strategic leadership provides the vision, direction, the purpose for growth, and context for the success of the corporation. It also initiates "outside-the-box" thinking for generating future growth. Strategic leadership is not a matter of micromanaging business strategies. Rather, it provides the umbrella under which businesses devise appropriate strategies and create value for the various stakeholders.

### QUESTIONS

1. Describe the leadership model and provide examples as to how these models may be incorporated in an Islamic organisation?
2. What are the four major factors of leadership? Describe the Black and Mouton's leadership grid and compare it with the similar of Islamic organisations.
3. Describe the development of Islamic leadership and Muslim entrepreneurship?
4. Compare and contrast the managerial grid model from R. Black and J. Mouton and provide examples as to how this grid may be utilized in Islamic Leadership?
5. Define the qualities of a Muslim leader and provide examples from the Qur'an and Sunnah?



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## Chapter 7

# MOTIVATING

These topics and sub-topics have been indicated in the beginning of the chapter seven for the quick reference and easy access by the readers. Beside this chapter begins with an introduction and ends with a summary followed by relevant questions and references. The chapter discusses the following topics.

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## INTRODUCTION

The term “motivation” is derived from the Latin word “*movere*,” which means “to move.” However, a brief selection of representative definitions indicates the manner in which the term has been used. Atkinson (1964) defined it as “the contemporary influence on the direction, vigor and persistence of action,” while Jones (1955) believes that motivation shows “how behavior gets started, is energized, is sustained, is directed, is stopped, and what kind of subjective reaction is present in the organism while all this going on. To Vroom (1964), motivation is “a process covering choice made by persons or lower organisms among alternative forms of voluntary activity.” More recently Campbell and Pritchard (1976) believes that “motivation has to do with a set of independent/dependent variables relationship that explain the direction, aptitude and persistence of an individual’s behavior, holding constant the effects of aptitude, skill, and understanding of the task, and the constraints operating in the environment.”

These definitions generally appear to have three common denominators that may be said to characterise the concept of motivation. That is, when in a discussion on the concept, a primary concern would be (1) what are the factors energising human behaviour, (2) what are the factors directing or channeling such behavior, and (3) in what manner is this behavior maintained or sustained. Each of these three components represents an important factor in the understanding of human behavior in all aspects of life (Porter *et al.*, 2003).

## MOTIVATION THEORIES

Motivation theories have attempted to answer the issue of motivation from a variety of viewpoints, each presenting a different concept of the term. However, they all seem to argue the same fact, that a motive is an internal aspect that arouses, directs, and integrates the behavior of a person. It is not observed directly, but is inferred from his behaviour.



### MASLOW'S THEORY

Motivational theories have approached the motive behind human behaviour differently. The most widely repeated classification of human motivation was developed by A. Maslow, who identified five essential human needs accordingly: physiological need, the needs for safety, affection, esteem, and self-actualisation. According to Maslow, man is motivated by a hierarchy of needs; once a lower need has been satisfied, it will be replaced by a higher one in the sequence (Maslow, 1954).

While Maslow's theory has been widely accepted by theoreticians and practicing administrators, it has come under criticism for the lack of support by empirical research. Critics claim that unfortunately, research does not generally validate the theory, as Maslow himself did not provide any empirical substantiation, and several studies that sought to validate the theory found no support (Sharfuddin, 1995).

### HERZBERG'S TWO FACTOR THEORY

Herzberg's two-factor theory of motivation suggested two factors to be present in a work environment: hygiene and motivators. Hygiene factors consist of aspects such as company policy, administration, supervision, relationships with supervisors and peers, working conditions and salary. Herzberg argued that if these factors are not present, dissatisfaction will certainly result, but if they are present, no satisfaction will necessarily result, as well as occurrence of any increase in performance. Motivators, include aspect, such as achievement, recognition for performance, responsibility, advancement and personal growth. If these aspects were present, satisfaction would definitely be a result, but in their absence, this would cause dissatisfaction. Herzberg believes that where the hygiene factors are present together with motivators, high levels of performance will result (Sharfuddin, 1995).

Many scholars have criticized Hertzberg's theory, because studies conducted to test the theory have not provided support for his findings. Lawler (1972) stated that the theory:



‘.....contains little explanation of why outcomes are attractive, and it fails to consider the importance of associative connections in determining which of a number of behaviors a persons will choose to perform in order to obtain a desired outcome. Thus, it is not a theory of motivation; rather it is a theory primarily concerned with explaining job satisfaction and dissatisfaction determinants.’

### **McGREGOR’S THEORY**

Douglas McGregor, on the other hand, formulated two distinct views of the nature of man, one negative (Theory X) and the other positive (Theory Y). Theory X (negative in nature) assumes the characteristics of employees accordingly:

1. By nature human dislike work and may attempt to avoid it, whenever possible.
2. Man must be coerced or threatened in order to become productive and meet the desired ends.
3. Man will eventually avoid responsibility and seek formal direction, when possible.

Theory Y (more positive in nature) makes the following assumptions:

1. Employees may consider work in the same manner they view rest or play.
2. Man will exercise self-direction, once he is committed to the objectives.
3. An average person can learn to accept and even seek responsibility.
4. Creativity or the ability to make good decisions exists in most men, not merely in administrators.

The Islamic view of man tends to be somewhat similar to that of Theory Y, while neither rejecting nor accepting either theory completely. Islam believes that man is, by nature, good and capable of appreciating



the nature of his acts, be they good or bad. However, as evil resides side by side with the good in the nature of man, a person may require supervising and directing from time to time to ensure that he remains in line with organisational regulations and societal norms. This is the core of the Revelations of the Apostles of God throughout history. At the same time, man must be allowed some autonomy in the workplace, trusted and provided the opportunity to participate in organisational affairs, regardless of his level of importance or education (Sharfuddin, 1995).

### **SOCIALIST VIEW OF MOTIVATION**

The socialist view of motivation starts by making this inquiry: "Why are workers given wages?" and providing answers to the question accordingly: "Because they are taking part in a production process for the benefit of others, who hire them to produce a certain product." In order for employees to be motivated at work, the socialists propose certain rules in regards to attitudes to be applied in an organisation as follows:

1. The producer is similarly the consumer
2. Partners should exist, not wage workers
3. Wage workers are a type of "slaves," regardless of wages, who is their employer, an individual or the state.

The ultimate solution, according to the view of the socialists, is to abolish the wage system and to return to the law of nature, which defines a relationship based on sharing, before the emergence of the class system, forms of government or man-made laws (Sharfuddin, 1995).

### **MOTIVATION FROM THE ISLAMIC PERSPECTIVE**

An alternative approach to management which is an emerging discipline, is Islamic management. It views the management of an organisations from the perspective of the knowledge of the revealed sources and other Islamic sources and results in applications compatible to the Islamic worldview (belief in *tawheed*, prophets and *akhirah*) and practices. Similarly, many of the theories on motivation available in literature reflect



the European world-view and would not be applicable to the Muslims. Worker who are Muslim, find their motivation in religion and their cultural heritage. Any approach to motivation that ignores this fact would not be successful. The Prophet (SAW) has taught us that every human endeavour is an act of worship and charity. Thus, a Muslim engaged in work knows that through his work, he is worshipping his Lord and this is a powerful motivator in itself irrespective of any material gain.

### SOURCES OF MOTIVATION IN ISLAM

The motivation of Muslim worker to produce work and excellent service to their organisation is derived not only from a notion of self-fulfillment; upward mobility, uplift of the material standards of living or service to the nation. More fundamentally, it must also be derived from the belief that, as a holder of the *amanah* on earth, man must be aware of the following:

- (a) He must search industrially for the bounty *Allah* has provided for his sustenance, either in the form of natural resources to be explored or new processes to utilise available resources.
- (b) His work efforts are a form of virtuous deed (*amal salih*), which is the key to the attainment of (*falah*) true success in this world and the well-being in the Hereafter.
- (c) His work is also a form of (*‘ibadah*) servitude to God in the broader sense of the word, insofar, as it is in conformity with the Divine norms and values; and
- (d) the reward for good deeds is not confined to this world, but extends to the hereafter, and similarly the punishment for bad deeds is not restricted to this worldly life, but may also be implemented after death.



Thus, in striving to gain the pleasure of *Allah* and avoid His wrath, the performance of the worker is not entirely dependent upon the reward system of the organisation or of the society, as a whole. In the event that any efforts are motivated by loftier objectives, namely, the well-being in this world, as well as in the Hereafter (*al-falah* and *hasanahfi'd-dunya, hasanahfi'l-akhirah*) reductions in the value of worldly and materialistic reward does not necessarily affect his performance adversely. He will be more ready to defer self-gratification or make some personal sacrifices in terms of time, effort or money, should the organisation come to experience difficult or turbulent times, due to extra-organisational factors beyond him/herself.

### FACTORS OF MOTIVATION IN ISLAM

Islam suggests four components in terms of human motivation, such as drive (an aroused state, due to physiological need), instinct and innate biological determinants of behaviour, incentives (external stimuli) and commitment (*ikhlaas*).

### THE NEED THEORY

A Muslim views matters such as wages, salary and other material benefits, as a means for food, clothing, and house for himself and his family, so that he may devote his energy to work. A Muslim does not look at these aspects, simply as a return for his labor. His labor is worship and only Allah can recompense for it.

### INSTINCTS AND INNATE BIOLOGICAL DETERMINANTS FOR BEHAVIOUR

Behavioural theories in the conventional sense highlight reinforcement; however, in Islam it has vast implications such as the following:

1. Humans have freedom of choice in behaviour/work (Al-Quran, 4:66). The Qur'an emphasises the importance of work (6:135 & 67:15). There is reward for any behavior (Al-



Qur'an, 2:85). They may be good, '*amal hasn* or bad in nature '*amal sayyi*'.

2. Some people tend to deceive to make behavior appear good (Al-Qur'an, 6:108 & 47:14). Bad behavior is condemned by God and offers a bad reward, as a result. A good behavior reflects underlying Faith (Al-Qur'an, 38:24 & 103:2-3). This is rewarded in the Hereafter (Al-Qur'an, 2:25 & 99:7) as well as on earth (Al-Qur'an, 16:97 & 24:55).

### INCENTIVES (EXTERNAL STIMULI)

Similarly, incentives in Islam are real and fundamentally intrinsic in nature. The extrinsic reward has a strong pull effects for animals but it has a limited scope for humans because Islam grants special status to humans than animals.

1. Jannah serves, as a positive motivator, while *Jahannam* serves, as a negative. Reward for good work behavior is *Jannah*, and for bad, *Jahannam*.
2. Every work is rewarded according to the intention behind it. Every person is rewarded according to his intention (*niyyat*). The amount of reward commensurates with the intention.

### COMMITMENT (*IKHLAAS*)

Commitment plays a strong role for inner human drive. Failing to live up to one's commitment, a sense of shamefulness works in a negative way to keep one away.

1. Motivation can be intrinsic (self motivation), extrinsic (rewards) or reactionary (not real and temporary).
2. Motivation is an internal aspect, whereas manipulation is external.
3. Commitment, *ikhlaas*, is described in the Quran in several verses (2:139 & 98:5). The term is expressed through intention, *ikhlas*



*al-niyyah*. Work produced is a consequence of the intention (Al-Bukhari).

4. Highly motivated individuals have clearly defined visions and objectives, strategic and tactical plans for achieving these objectives; further, they also exhibit high expectancy, energy, drive and self confidence. They have the desire to take responsibility and control, have good communication skills, willingness in taking risks, accept corrections or criticisms easily, desire for recognition for carrying out interesting work, and lastly accept authority.
5. The above human characteristics are not in-born; they can be cultivated and nurtured in any individual.
6. A number of aspects in a Muslim character that stimulate motivation would be as follows: *sharafat* (Sense of 'losing face', shame for self and family), *thawab* (reward in the Hereafter), *karam* (generosity) and *wafa* (fulfillment).

### MOTIVATED PERSONALITY

Motivated leaders clarify goals, set objectives, consult and respect their followers, deal with followers kindly, humanely, and with fairness. This behavior may be dependent on the level of moral development and spiritual-maturity of a person. Spiritually inclined people are classified, as those, who are concerned with the following: 1) *Nafs Ammarah*, 2) *Nafs Lawwamah*, and 3) *Nafs Mutmainnah*.

Firstly, *Nafs Ammarah* refer to those who have negative motivation are due to worries, lack of self-confidence, low self-esteem, low self-worth, never respect the right of other and make followers feel insecure.

Secondly, *Nafs Lawwamah*, refer to those who are self-motivated and view work as challenging, meaningful filled with opportunities for advancement, and possibilities for learning and personal growth.



Thirdly, *Nafs Mutmainnah*, provides man with a high level of sense of responsibility towards Allah and independence from any kind of fear and anxiety and offers work satisfaction. Individuals under this category subscribes to the ideas of *sharaf* (fear of losing face, shame for one self and family), *thawab* (reward in the Hereafter), *karam* (generosity) and *wafa* (fulfillment).

The essence of personal development according to Islam is purification of the soul. If the soul is of good quality, the rest of the body also becomes good. Professionals may be much engrossed in their work to the extent that they forget themselves, until they find themselves in a spiritual crisis that in turn have adverse effects on their professional work.

### ISLAMIC MOTIVATION THROUGH REWARD AND PUNISHMENT

The modern theories have contributed to a better understanding of motivation in organisational settings. However, most of these theories are purely material-oriented. They share the assumption that man is basically a materialistic being and that he is primarily motivated by materialistic and temporal rewards. These theories thus ignore the role of the spiritual, moral or metaphysical dimensions of human motivation. In view of this, modern theories of motivation tend to be uni-dimensional, unbalanced and rather inadequate, especially from an Islamic point of view. It, therefore, follows that total acceptance and application of these theories by Muslims would be undesirable.

Islam is based on Divine guidance and identifies the fundamental truths of all spheres of human life and behaviour. Islam fully recognizes and emphasises the significance and role of motivation in human activity. The religion states that human actions are governed by inner intentions, drives and motives. The Prophet Mohammad (SAW) has said: "The acts depend on intentions. A man will get whatever he had intended for" (Bukhari).

This hadith is very meaningful and has far reaching consequences for human motivation. It implies that in order to effectively motivate



people to work, one has to focus on their pious motives and intentions. In other words, mere superficial enhancement in outward behaviour is not sufficient from an Islamic point of view.

Islam further stretches beyond externalism to ethics of action. Islam declares good action as the necessary con-comitant of faith. The religion not only calls man to action, but declares it an act of worship worthy of reward. It further allows precedence to those occupied in useful activities over devout worshippers, as well as over men engaged in exercises of piety, and those who do not participate actively in the affairs of life. The Qur'an states:

"Surely they are not equal: those believers who witness the battle while fully capable, and those who fight in the cause of Allah, sacrificing themselves and their wealth. Allah raised the later a degree over the former"

Islam does not allow inaction, passivity and stagnation in any spheres of human life. It declares that every individual has to strive for better results in his/her life. The Qur'an clearly states:

"That man can have nothing but what he strives for"  
(al-Qur'an, 53:30)

"That his striving will soon come to light; then will he be rewarded with a reward complete" (53: 40-1).

Changes at the organisational or societal level cannot take place unless people make a deliberate effort to that end. The following verse of the Quran clearly stimulates people to collective action to bring about overall change and development: "Allah does not change the condition of a people until they have changed themselves" (13: 11, 22: 41).

The ethics of Islam clearly counsels against begging, being a parasite and living on the labour of others. *Al Sunnah al Snarifah* recorded to the Muslims a number of occasions where the economic



endeavours of man are praised and economic resignation condemned. Prophet Muhammad (SAW) has said the following:

“Verily the best things which ye eat are those which ye earn yourself or which your children earn” (*Bukhari*).

“It is obligatory for a Muslim to strive for lawful (*Halal*) livelihood” (*Baihaqi*).

“Verily it is better for you to take a rope and bring a bundle of wood upon his back and sell it, in which case God guardeth his honour, than to beg of people, whether they give him or not; if they do not give him, his reputation suffereth and returneth disappointed; and if they give him, it is worse as it layeth him under obligations. The *Qur'an* also makes it obligatory for Muslims to strive to earn a lawful livelihood: “When *Solat* is complete, strike out into the earth and seek His bounty; but remember Allah in everything you do, that you may be truly felicitous” (62:10).

Islam does not recognise the awkward and pseudo demarcation between so-called “secular” and ‘religious’ spheres of human activity. It considers human life as an organic whole, which cannot be divided into watertight compartments. All the activities and spheres of human life can be transformed into *Ibadah*, provided these are governed by Divine guidelines and Commandment. Islam maintains that the soul cannot be separated from the body and that spiritual needs of man cannot be separated from his material needs. Unity is the most striking characteristics of Islam.

The basic motivating force of a Muslim to produce work is the *Iman*, which means the true faith and belief in Allah, His apostles, His books, and the Day of Judgment. *Iman* is the most powerful motivating force. All the actions and activities of a true Muslim are the manifestation of his *Iman*. Islam views the individual as a whole. He is required to submit to Allah, as the Prophet (SAW) was instructed to do by *Qur'an*: “Say O! Muhammad (SAW) my prayers, my sacrifice, my life and my



death belongs to Allah; He has no partner and I am ordered to be among those who submit.”

Islam, thus, creates the elements of real inner motivation and self direction within a man. A true Muslim performs all types of tasks including organisational and productive work, with the basic intention of seeking the pleasures of Allah. A true Muslim believes in the Day of Judgement, the resurrection, of man’s presence in the Divine court, and the meting out of Reward or Punishment. He further believes that the record of all actions of an individual in this world is preserved and will be presented for judgement on the day of Resurrection. Man shall be accountable to God—his Creator, for all his deeds in this earthly life. On that Day, God will hold His court and with just judgement, reward or punish man for his good or bad deeds. *Qur’an* declares: “Not an atoms weight, or less than that or greater escapes Him in the heavens or in the earth, but it is in a clear record. That He may reward those who believe and do good works. For them is a provision and a rich provision” (39: 3-5).

The Holy *Qur’an* reveals that on the Day of Judgement, the rewards and punishments will depend upon the behaviour of an individual (including work behavior) in this world. In this manner, Islam inculcates in man an inner motivation and self-direction. This form of self-motivation and self-direction is not only confined to social and moral aspects, but also relevant and applicable to the economic as well as all productive activities.

Thus, by giving priority to God’s pleasures, as the ultimate objective of the activities of an individual, Islam has provided the most sublime possible motivation for the enhancement of the behaviour of man. It generates in a man a voluntary desire to pursue all that is good and for avoid all that is bad.

Islam considers work, as part of worship, provided it is performed in accordance with the Divine Commandments and with the ultimate aim of seeking the pleasures of Allah. This kind of sublime motivation has tremendous potential for improving the quality and quantity of any kind of organisational work. A person, who believes that work is a part



of his worship, will certainly display a very high degree of dedication and involvement at work. He will have a very intense feeling of responsibility and accountability before Allah. He would be expected to carry out his work with efficiency even if the material rewards might be inadequate, working conditions poor and the work itself difficult, monotonous, dangerous or routine in nature. If the individual is convinced that such constraints are genuine and inevitable, he will nevertheless show high performance to satisfy his spiritual needs. In such cases the need for external control and supervision would also to a great extent be reduced.

### **WORK MOTIVATION FOR MANAGERS**

Islam clearly makes it a moral and spiritual responsibility for everyone who holds a position of authority in any sphere of human society to treat every member of the working class as their equal and show kindness, benevolence and tolerance towards them. Managers and administrators are no exception to this general principle. According to Islam, these individuals are not only accountable to the top management and the society in general, but they are primarily accountable to Allah (SWT) for their use of authority and administrative work. Prophet Muhammad (SAW) has said:

All of you are caretakers and each one of you will be asked about the people who are under your control. The leader is accountable for his followers; the husband is the caretaker of his family and he is accountable for them, the women is the caretaker of the house of her husband and she is accountable for that; the servant is the caretaker of the property of his master and he will be asked about that. In short, each one of you is a caretaker and a responsible person, and will be taken to task for (his behaviour towards) the people who have been given under his control (Bukhari, Muslim).

In the light of the above, Islam inculcates a deep sense of responsibility and accountability in every person of any society, especially those in higher positions of authority and power. Man in his position, as a



manager is also answerable to Allah (SWT) for his attitude and behaviour towards his subordinates. In the court of Allah, man will have to explain the manner in which he had made use of his official authority and powers, and further, the manner in which he performed his best, while discharging his/her duties and responsibilities as a manager. This inner sense of responsibility and accountability is far more superior than any purely external control system.

Therefore, Islam does not ignore the role and significance of external and material factors of work motivation. Islam, being the *Din-ul-Fitrah* (natural way of life), fully recognizes and accommodates the material and temporal needs of man, especially in regards to work. In other words, Islam seeks to solve the issue of work motivation in two ways. Firstly, the religion creates an inner urge within the worker to work hard and to contribute his best efforts. On the other hand, Islam requires the managers and employers to take full responsibility for all social and economic needs of their employees. Thus, an ideal atmosphere in any organisation is to be created and for the promotion of a very high degree of work motivation among the workers.

However, in Islam the satisfaction of material needs is considered to be subordinate to the satisfaction of spiritual and moral needs of man. Satisfaction of material needs should not be an end in itself; rather it should be considered and used as a means for achieving the satisfaction of higher order needs —seeking the pleasures of Allah, attaining eternal success in the life after death, experiencing spiritual solace and peace in this world, etcetera. Thus, Islam makes a unique and beautiful blend of spirit and matter, body and soul, this life and the life after death. Satisfaction of spiritual and material needs goes side by side.

In conclusion, in regards to the description of work motivation in Islam, the Revelation says that Islam does offer a very sound framework for the better understanding of the issue at hand. The religion provides the means to stimulate of people to achieve *Halal* goals. Islam for instance disagrees to and discourages lethargy, inaction and stagnation. The concept of work motivation in Islam is quite comprehensive and balanced, as it includes both the material and spiritual dimensions. Islam



considers work as a part of worship (*Ibadah*) provided it is carried out with the right intention and in accordance with the commandments of Allah. According to Islam, Faith (*Iman*) is the basic motivating force for a true Muslim. He is capable of working with a high degree of inner motivation and dedication, even in the face of adverse circumstances. However, Islam does not ignore the role of material rewards and benefits in terms of motivation. It requires the managers and employers to provide adequate monetary compensation and brotherly treatment to their subordinates. On the whole, Islamic principles of work motivation are far more superior to those of the modern concepts and theories of motivation.

However, a question may arise as to why Muslims on the whole are somewhat indifferent to work-motivation, whereas the secular Westerners have demonstrated a very high degree of work-ethics. This issue would require an elaborate discussion, but it is sufficient to say here that one should differentiate between true Islamic teachings and the practice of present day Muslims. Islamic history bears an undeniable testimony of the fact that Muslims at one time were at their best in following the principles and spirit of Islam, in their contribution to economic development, welfare, productivity, science and culture, which all have once reached its peak. This amply demonstrates the fact that Islam, as a religion, offers a congenial and ideal atmosphere for work motivation.

An important area in which to conduct empirical research within the field of work motivation from the Islamic point of view would be in regards to the impact of Faith on work motivation of truly practicing Muslims. This kind of empirical research could establish the validity of Islamic principles of work-motivation for non-Muslims. Further, to undertake a detailed critical review of the existing theories of motivation from Islamic point of view would be highly essential. A survey of this nature could pave the way for future research in this particular area.

### **THE JUSTICE AND EQUITY THEORY**

Equity and justice are basic aspects of the good functioning of groups and organisations. The pioneering work on equity theory by Adams (1965)



was derived from the analysis of behaviour in employer-employee relationships; therefore, it is natural that most studies conducted in regards to the two concepts have been carried out in the organisational context. According to Greenberg (1982), there are compelling reasons as to why studies on equity were mostly conducted in organisational or business settings. Firstly, the equity theory emphasizes the social comparison process; secondly, it explicitly specifies the reward (outcome) and contribution (input) factors. The two factors are particularly suitable for studies on reactions to payment of workers (Walster, Walster, & Berscheid, 1978). Hence, the context of the business world has provided a viable backdrop for studies on the application of the two factors, equity and justice. Similarly, the management of groups and organisations have immensely benefited from the application of concept of justice.

The concept has now become an all-pervasive aspect in explaining a number of issues related to human resource management in recent times (Wooten & Cobb, 1999). Deeply rooted in the concept of justice fairness in organisations are only subjects, such as motivation, productivity, and satisfaction, but also emerging concerns for career development in terms of subjects such as selection, placement, orientation, training, transfers, job rotation, mentoring of employees. The development and growth of employees involve such basic issues as fairness over the allocation of organisational resources; this fact brings about complex issues in terms of organisational justice. This complexity arises from the policies and procedures in deciding who receives them, and the interaction between those who are the provider and those who receives the rewards or experience the losses (Greenhaus and Callanon, 1994; Gutteridge, Leibowitz, and Share, 1993). In recent years, efforts have been made to understand the issue of justice in human resource management (Cropanzano, 1993; Folger and Greenberg, 1985) and in organisational development (Cobb, Wooten and Folger, 1995).

Organisational justice may be viewed in terms of three facets, each attracting the interest in the conduct of a number of studies to examine in what manner they may affect organisational outcomes. These



three facets are accordingly: Distributive justice, Procedural justice and Interactional justice.

As discussed above, the study of distributive justice has tended to focus on the manner in which the workers perceive the fairness in allocation or reward, such as the salary they receive and how they react to these. Adams' (1965) equity theory best explains the process of distributive justice. The rewards and opportunities that are frequently made available to employees in the form of promotions, training, placement, development opportunities, recognition, responsibility, pay increase, perks, and benefits are just a few examples of the centrality in distributive justice in the organisational processes. Since distributive justice concerns what is being distributed through organisational programs, it can be considered to be program focus.

The study of procedural justice has proven to have its own impact on a wide range of perceptions of fairness as well as on organisational outcomes (Folger and Konovsky, 1989). The perceived fairness of transfer policies, the selection criteria for participation in specialised training courses, the consistency of performance appraisal systems, etcetera., are some examples of procedural justice. Procedural justice relates to the manner in which decisions are being made, therefore, this form of justice can be considered as being a part of a process.

The issue of interactional justice is the third and the most recent area to emerge in the study of organisational justice (Greenberg, 1987; Bies, 1987). Interactional justice, as a study, focuses on the perception in regards to the extent of fair treatment of those, who act under the authority of the formal agents of the organisation and the effects of their decisions and actions on the subordinates as well as in regards to how subordinates react to them, with particular emphasis on the explanation of accounts provided by these formal agents. Examples of this form of justice would include the rationale provided by an employee as to why he/she was not selected for a certain training program, or why the business needs of the organisation may require specific transfer, or the regrets rendered in regards to any disappointment in career opportunities. As interactional



justice focuses on interactions between agents and others, it assumes a people focus.

The literature on organisational justice has been well summarised by Dubinsky and Levy (1989). According to them, there are seven accepted dimensions of organisational equity and they are as follows:

- (i) Pay rules, or the degree to which one is paid fairly, relative to co-workers, and the degree to which pay rises and promotions are fairly administered.
- (ii) Pay level; the degree to which pay is fair relative to that of others outside the organisation.
- (iii) Pay administration; the perceived fairness in regards to supervisors in his/her executing rule for pay raises and promotions.
- (iv) Rule administration; the perceived fairness in regards to the administration of rules governing behavior at a workplace.
- (v) Work pace, the perceived fairness in regards to a supervisor in his/her maintaining a reasonable pace of work activity.
- (vi) Distribution of tasks or the perceived fairness in regards to a supervisor in allocating work assignments.
- (vii) Latitude or the perceived supervisory fairness with regard to employee work latitude.

The seven facets of organisational justice can be further classified accordingly: (i) distributive justice (involving pay rules, distributing tasks, and pay level, wherein the perceived fairness of the outcomes received are judged), (ii) procedural justice (involving pay administration, rule administration, work pace, and latitude, wherein the perceived fairness of the methods applied to determine outcome is being judged) (Roberts, Coulson, and Chonko, 1999). Romanoff, Boehm, and Benson (1986) categorised the concept of equity along four dimensions: external equity, internal equity, individual equity and personal equity. External equity exists



when the employer pays wages similar to those in other related markets. The existence of internal equity requires that the employer pay wages that are fair relative to the respective value of each of the work performed within the organisation. Individual equity requires pay for performance, in that individuals, who perform a specific task are compensated fairly, relative to others, who perform the same task but at a different standard of performance. This implies that a wage differential should exist, when the standard of performance of tasks differs among employees. Personal equity exists, when an employee is paid according to his/her own perception of worth.

### **DISTRIBUTIVE JUSTICE: THE SOCIOLOGICAL PERSPECTIVE**

Within the equity theory, the idea that justice consists in matching rewards to contributions is articulated as a formal theory, but the conception of equity as the dominant distribution norm is quite widespread in social sciences. Parsons (1967) believed that the ranking of individuals in hierarchies of prestige and the distribution of material rewards reflect the contributions individuals make to the realisation of common social values. Other sociologists have contended that unequal rewards reflect, to some degree, the functional importance of social activities. Social inequality would thus be an unconsciously-evolved device by which societies insure that the most important positions are consciously filled by the most qualified persons (Davis & Moore, 1945).

The association of functionalism and the equity theory of distribution are rooted in the classics of sociology. Denying Locke's claim that property derives from labour, Durkheim (1958) believed that: "It is society that does the allocation of property, and it proceeds to allocate and distribute according to the sentiments it has for the individual and the way it calculates the value of their services." Herbert Spencer (1976) similarly contended that "Justice...means preservation of the normal connections between acts and results.... the superior shall have the good of his superiority; and the inferior the evil of his inferiority."



The belief that equity is the fairest basis of distribution at least in the "modern" or "western" society has been so pervasive that it has become part of the natural intellectual assumption and is easily lost. The distinction between achievement and ascription and the claim that achievement norms take priority in modern cultures, is standard textbook doctrine. This dichotomy was first articulated by Linton and is mostly identified with Parsons (1967), who claimed that "individualistic achievement complex" in which "performance" is the basis of reward, describes the distributive scheme of modern societies (p. 174).

The opinion that our society is committed to the reward based on achievement is a common assumption of research on stratification. Blau and Duncan's (1967) *American Occupational Structure* aims at measuring the relative weights of achievement and ascription, while making the assumption that in a liberal democratic society, achievement is the basic principle. Bell (1979) describes the post-industrial society as a meritocracy in which differential status and differential income are based on technical skills and higher education. He further contends that this form of allocation expresses the basic principles of classic liberalism.

However, the claim that equity is the universal or near universal norm of just distribution has been contested vehemently by others. According to one of the richest literatures in philosophy, a discussion on justice and the view of equity is not dominantly a major focus. Indeed, the two most prominent contemporary political philosophers, John Rawls and Robert Nozick, both rejected equity, as being a defensible theory of justice. Some views of the variety of concepts of justice is suggested by Nicholas Rescher's (1966), who lists various notions in regards to distributive justice. These included: (1) equality (except possibly in the case of certain negative distributions, such as punishments), (2) need, (3) ability or merit or achievement, (4) efforts and sacrifices, (5) actual productive contribution, (6) requirements of the common good, or the public interest, or the welfare of mankind, or the greater good of a greater number, (7) valuation of socially-useful services in terms of the scarcity in the essentially economic terms of supply and demand.



In the light of the above, one can understand that various schemes of distribution are not only historically as well as conceptually possible, but are rather visible in our society. A family distributes resources in terms of need, not contribution. The principle of need is also well established in the welfare system. The allocation of right is guided by the principle of equality, as is access to public goods, such as parks, highways, police and fire protection. Considerations of the literature in political philosophy and in the array of historical and contemporary social practices quickly shatter the possibility of equity, or any other simple principle, to encompass the norms of distributive justice.

### JUSTICE AS AN ENTITLEMENT

Although the diversity of social practices defies any simple statement on the norms of distribution, the existing dominant norm is not equity but the principle of supply and demand, as listed by Rescher (1966). It is to be noted that norms of equity and market distribution operate on fundamentally different principles.

The outstanding feature of market systems is that no scheme or plan of distribution is particularly specified. In the free markets, individuals dispose of their resources (their labour, money, etc.) as they choose. Whereas, the principles of need, merit, effort, etcetera address some feature of the recipients, the focus of the market is on the rights of the holders of goods, that is, those who have an entitlement to the money at issue. One may need or by various criteria deserve some value, but in a market an individual's right, as the legitimate holder of a goods, takes priority and he may justly ignore other's claims.

In understanding the market system, it is meaningful to distinguish between deserts and entitlements. The two terms often overlap in terms of meaning. If two persons, A and B, negotiate and then B agrees that he /she will carry the load of A for a fee, B both deserves and is entitled to the payment. Sometimes, however, deserts and entitlements diverge. The loyal servant, for instance, who cared for the dying millionaire may deserve the inheritance, but the loutish nephew, who is written into the will is entitled to it. Markets are rooted in entitlement, not deserts. The



millionaire has the right to offer his money to the undeserving nephew who is thus entitled to it. Robert Nozick's theory of entitlement is a useful account of the market precisely because he does not confuse its alleged utility with the primary commitment to the freedom of holders. The priority of the entitlements of the holder over the deserts of recipients is the reason why the market allows a popular singer to earn more than a more skillful classical music composer.

The market can also experience confusion in regards to the issue of the achievement system, a system with the claim that market popularity is a kind of achievement. What, however, a popular singer has achieved is popularity, not musical excellence. This is again a kind of achievement, but it should not be confused with the meaning of achievement, as specified by rules of merit or equity. There is a difference between a popular teacher and an accomplished teacher and similarly the difference between a market and a meritocracy. An achievement based on meritocracy implies some sort of standard or expert judgment, to be applicable on popularity. A person may gain popularity and be rewarded for nothing other than, say, a particular personal appearance. From this elaboration on the issue, one can understand the difference in the concepts of popularity and achievement.

The tendency to confuse the meaning in these two concepts can in part be understood as a confounding of this principle with its legitimisation. The idea of the market is often defended in terms of its social utility with the claim that the free choice of individuals will result in the best offerings being favoured. However, while advocates of the market principle often claim that "the world will beat a path to the doors of the deserving," this is a secondary justification that must not be confused with the basic principle of the market, that is respect for the rights of the holders of goods.

### **DISTRIBUTIVE JUSTICE: THE ISLAMIC PERSPECTIVE**

Justice in resource distribution has always been the fundamental concern of Islam. In fact, it was the first issue to be resolved by the Prophet Muhammad (SAW) himself. He attributed his presence as being a source



of establishing a fair and just society. However, one has to understand the social realities of the Arabs in Medina, where the first Islamic state was established and the context in which allocation decisions were made by the Prophet himself and later by his first two successors (Khalifa), namely, Abu Bakr (RA) and Umar (RA). So far as the distribution of money/material goods from Baitul Mal was concerned, the norms were different during the three periods of time of the Prophet (SAW), Abu Bakr (RA) and Umar (RA). During the time of Prophet Muhammad (SAW) the most important consideration was the *need* of the recipient, while *equality* was the issue during the time of Abu Bakr (RA). During his time, Umar (RA), who made special allocations to those who fought the first Islamic battle at Badr during the Prophet's time, emphasized *equity* or merit of the recipient as the essential considerations. He also offered special consideration to those who belonged to the Prophet's family (Kandhalwi, 1994). Clearly, the norms of distribution were moderated by several factors, such as, the availability or scarcity of the particular resource, the intensity of the need of the recipients, merit or contribution of the recipients, and the purpose of the allocation decision. The key to all the allocation decisions was the perception of its fairness as appreciated by the recipients.

Islam, which is another name for peace and justice, has provided guidance in the personal distribution of income. Muslim writers (e.g., Iqbal, 1988) consider the Islamic goal of distribution to be that of distributional equity. The term "distributional equity" means different things to different people. To some it may imply that everybody should have equal amounts of rewards irrespective of their merits or contributions. Others suggest that in view of the natural differences in human capabilities, in regards to attitudes towards work, skill, knowledge, etcetera. the differentials in the salary structure of an organisation are considered just and fair. In other words it would be unfair to reward everybody equally.

The Islamic view of "distributive justice" includes the following three elements:



- (a) Guarantee of the fulfillment of the basic needs of all.
- (b) Equity not equality in personal incomes.
- (c) Elimination of extreme inequalities in personal incomes and wealth.

The issue of fulfillment of basic needs from an Islamic perspective has been discussed by scholars in Islamic economics (Siddiqui, 1988). It would be pertinent to mention here that fulfillment of basic needs is guaranteed by Almighty Allah (SWT). "He says, there is no moving creature on earth, but its sustenance dependeth on Allah" (Al Qur'an, 18:46). The author believes that any economic system which fails to ensure absolute poverty eradication in the society, may not last long because that system has contradicted God's Will for the fulfillment of basic human needs.

There appears to be a total agreement among scholars in the discipline of Islamic economics in regards to this matter, mainly because it qualifies to be a "universal truth," as supported by the four references of organised Islamic living. This agreement is based on the Qur'anic text and *Sunnah*, precedents from the rightly guided *Khulfa-e-Rashdeen* and *Ijma* (juristic consensus).

Once basic human needs have been catered for, merit would be next in priority as the Islamic standard of resource allocation. Therefore, interpersonal differences in income are valid and fair, provided they are based upon differential merits or contributions of the individuals. Following the demise of the Prophet (SAW) for instance, there were differences in the appointment of the next *Khalifa* (Muslims leader). Similar differences emerged during the appointments of the next three *Khulfa* as well. However, the criteria selected as the base for these appointments were the amount of sacrifice made to Islam and the closeness of the person to the Prophet. It is to be noted that during the period of the battle of *Tabuk*, 'Abu Bakr (RA) sacrificed his belongings in its total in support of the needs of the Muslim army, while Umar (RA) brought in half of his belongings, and lastly, Othman (RA) offered one third of his wealth for



the same purpose. The similar order of appointments for the highest position in Medina, the capital of the then Muslim State can be noted.

### **ALI'S JUDGMENT BASED ON MERIT AND EQUITY**

A story related to Hazrat Ali (RA), the fourth *Khalifah* and the son-in-law of the Prophet (SAW) illustrates equity as the standard of justice in the allocation of resources. A dispute between two persons, Mr. A and Mr. B, emerged over the distribution of some money. They had shared their lunch together with another person, Mr. C. The lunch consisted of eight loaves of bread, that included five loaves by Mr. A and three loaves by Mr. B. Mr. C did not bring any bread and, therefore, paid the other two persons eight dinars in lieu of the bread. Mr. A took five dinars and passed three to B. However, Mr. B did not agree to this and instead claimed that the amount should be equally distributed between them.

The matter was handed to Ali (RA). He suggested that Mr. B should accept the division of 5:3, as this was rather in his favor. However, Mr. B wanted Ali (RA) to do justice. Consequently, Ali (RA) made a 7:1 distribution, which meant B was entitled to just one dinar. Ali (RA) justified his decision on the basis of the contributions made by the two persons. Ali (RA) explained this accordingly. If each loaf was divided into three pieces, the total number of pieces of bread would be 24. This suggested that the contributions by A and B to the pool of bread would be 15 (5x3) and 9 (3x3) pieces, respectively. Assuming that each person ate the same quantity, C ate seven pieces of A's bread and one piece of B's, A should then get seven dinars and B only one.

The importance of the issue of merit or contribution as a criterion for resource allocation is recognised as a fair basis in regards to decisions on salary in Islam. The Islamic view holds that it would be unjust to equate all people in terms of their earnings, if they differ in their abilities and contributions. Payments that do not recognise individual contributions will adversely affect the motivation of employees and in turn result in poor organisational performance.

Against the background of the above, would inequality indirectly be recognised in Islam? The meritorious would accumulate wealth and



the rich would become richer. To counter a situation of this nature Islam brings about a moral check. Although Islam does not prescribe a ratio between minimum and maximum income, the religion does discourage extreme inequalities. The purpose of the concept of *Zakah* (the religious duty imposed on Muslims to offer a portion of their disposable wealth for distribution to the members of the entire community of the faithful or *Ummah* who are in need) is essentially for the redistributing resources and for minimizing of extreme disparities.

In short, Islam prescribes guarantees for the fulfillment of basic needs, while accepting the reality of natural inequalities among human beings, and places checks on extreme inequalities in societies through the injection of moral dimensions. Perhaps, the western view in regards to the moral basis of social welfare has taken lessons from the Islamic perspective of social justice.

The purpose behind discouraging extreme inequalities in Islam is to ensure moral justice, which in turn will promote mutual love and kindness among the members of a society or community. Islam stands for social cohesion, mutual love, affection, social harmony and brotherhood. Therefore, such inequalities that can be a cause for hatred, malice and ill feeling among individuals have to be eliminated. Islam discourages poor people from begging but ask them instead to offer *doa* (asking for help from Allah). The religion further encourages the rich to do *ihsan* (extend all kinds of help to needy ones), which promises reward in the *Akhirah* (Hereafter). Allah commands mankind to spend the excess of their accumulated wealth on the poor and needy, if they desire His Love. This may be achieved as follows: firstly, in an Islamic system, the possibility of extreme inequality is under control through the elimination of the routes of exploitative practices, secondly, Islam applies a two-way approach in reducing inequality and promoting social cohesion. Islam suggests a code of conduct and provides guidelines for the distribution of resources with a view of earning the pleasures (*reddha*) of the Creator. The principles are: *Adl*, *Insaf*, and *Ihsan*. Their purpose is essentially to establish an ideal social justice that blends equity and need, as the principles of justice, and ensures social harmony and positive relationship as the social outcome.



## SUMMARY

To conclude, while reward according to one's merits or contributions is the most favoured norm of resource allocation in many societies, concern for factors such as need and equality, as alternative norms assume significance for several reasons. The Islamic view on this matter clearly emphasizes its humanistic concern. Islam accepts individual differences and relative contributions as natural aspects and thus considers the norm of equity as appropriate. However, it prescribes several measures to avoid extreme disparity in wealth and material resources. The Islamic concept of justice subsumes three principles, namely, *Adal*, *Insaf*, and *Ihsan*. The principles guarantee two dimensions of rewards, one material and the other spiritual. The second order of reward encourages the wealthy to sacrifice for the poor. Ample verses are available in the *Qur'an* to suggest that those who follow *Allah's* guidelines will earn His blessings and rewards in the life Hereafter. Bringing in these spiritual and moral dimensions into the concept of distributive justice thus becomes a unique contribution by Islam.

## QUESTIONS

1. Elaborate on the theories that explain the motives behind human behaviour?
2. In what manner do you understand 'motive' behind a human behavior from the Islamic point of view? Explain.
3. What are the factors of motivation?
4. In what manner could a Muslim manager implement and cultivate motivation in an organisation? Support your discussion with an example from Islamic history.
5. In what ways does the pioneering work on equity theory by Stacy Adams (1965) reflect on Islamic perspective that was derived from the analysis of Ali's (r.a.) in employer-employee relationships?



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## Chapter 8

# COMMUNICATING

The following topics and sub-topics have been listed in the beginning of the chapter for the quick reference and easy access by the readers. Besides it the chapter begins with an introduction and ends with a summary followed by relevant questions and references. This chapter discusses the topics as given below.

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## INTRODUCTION

Communication is the transfer and exchange of information as well as the understanding of one person from another through meaningful symbols. It is an approach to exchanging and sharing of ideas, attitudes, values, opinions and facts. Significantly, communication is a process that requires both a sender, who begins the process, and a receiver, who completes the communication link. When the receiver has understood the message communicated, the cycle is complete. Communication may be verbal (oral or written) or nonverbal (body language and appearance).

Within an organisation, managers engage in a communication process to carry out their four functions (planning, organising, leading, and controlling) and to play their roles. Communication is thus an essential function of leadership. Leadership can be viewed, as high or low, as the communication ability of the leader modifies the attitudes and behaviours of the workers in order to meet group goals and needs. Failure in effective communication rapidly leads to leadership and organisational crises. A corporate communication design is a part of the overall development of organisational structure. Information and communication technology has revitalized the concept of O.D. (organisation design) today, which plays a dominant role in the evolution of contemporary organisational culture.

Conscious communication is planned and the communicator is aware of the content of the message, while unconscious communication, on the other hand, is not planned and the communicator is not aware of its content. Communication exists in verbal and non-verbal forms. Verbal, oral or written communication utilises words, as symbols of the communication. Non-verbal communication conveys ideas without the use of words. Non-verbal communication can take the following forms: body language, physical appearance (hair, nails, cleanliness, and apparel), manners of greeting (voice, handshake, and smile), image/impressions (public speaking, letters, faxes, behaviour in public, behaviour in crisis, and quality of work delivered).

The structure of human language and its uses in communication is the object for research and study within many disciplines. Phonology, for instance, is a discipline that studies the patterns of sounds,



pronunciations, and intonation. Syntax views the manner in which words are arranged in phrases and sentences, and semantics discusses of the meanings of words and sentences. In the discipline of pragmatics, the interpretation of language according to social and contextual factors is under study. Much is now known about human language. A simple fact, however, remains, saying that language is an exceedingly complex matter.

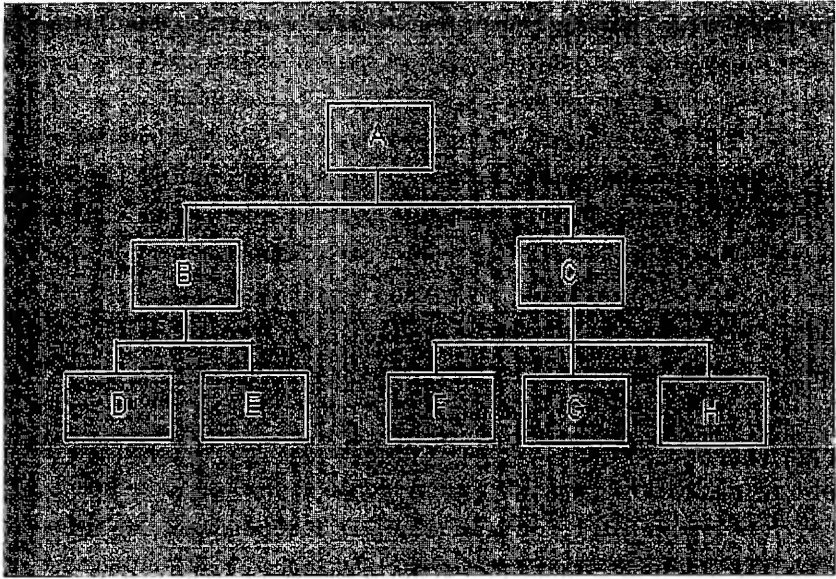
The content of any communication is not received in the manner as it is transmitted. Instead, it is perceived. Perception is the manner in which one is organizing and interpreting incoming information. Perception is selective, and influenced by the environment (contrast, location, motion and size of objects being perceived), background knowledge, and background attitudes (threshold, motives, etc). Thus, the same type of information may elicit perceptions differently among people.

Communication channels may be personal static, such as a letter, impersonal static, such as flyers, direct interaction, such as face-to-face discussions, and indirect interaction, such as a telephone conversation.

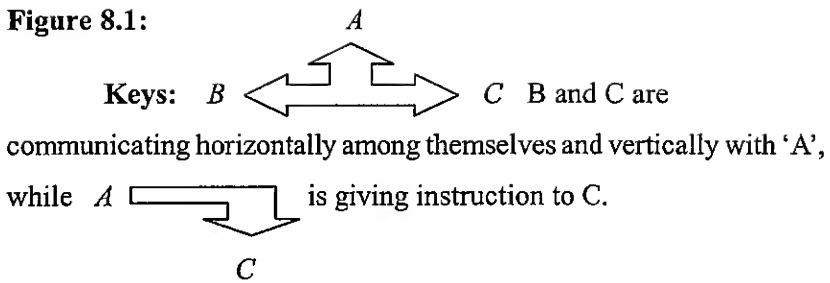
Communication establishes relationships and makes the process of organising by a manager possible. Every message has a purpose or objective. The sender intends consciously or unconsciously – to accomplish something by communicating. In an organisational context, messages often have a definite objective that is to motivate, to inform, to teach, to persuade, to entertain or to inspire the employees. This definite purpose is, in fact, one of the principal differences between casual conversation and managerial communication in an organisation. Effective communication in an organisation centers on well-defined objectives that support the organisational mission and goals. Through their communications, supervisors strive at achieving understanding among parties.



## Organisational Charts Indicating Channels of Communication



**Figure 8.1:**



Organisational communication establishes a pattern of formal communication channels to carry information vertically and horizontally. (These channels are displayed in organisational charts; Figure 8.1) Therefore, to ensure efficient and effective accomplishment of objectives, information is exchanged. Information is passed *upward* from the employees to supervisor and *laterally* to adjacent departments (e.g., B



& C pass information upward to A and also to B & C). Instructions relating to the performance of the department and to policies for conducting business are conveyed *downward* from supervisor to employees (e.g., A gives instruction to C downward). Similarly, the organisation carries information from within the department back up to the top management. Management furnishes information about the current state of affairs, notifies the supervisor in regards to any existing problems, and makes the requests for clarification and help. Supervisors, in turn, keep their employees informed and render assistance. Supervisors continually facilitate the process of providing required clarification on matters, as well as in terms of problem solving; this has an upward/downward movement in an organisation. Supervisors further communicate with *external* sources of an organisation, such as vendors and customers.

### THE COMMUNICATION PROCESS

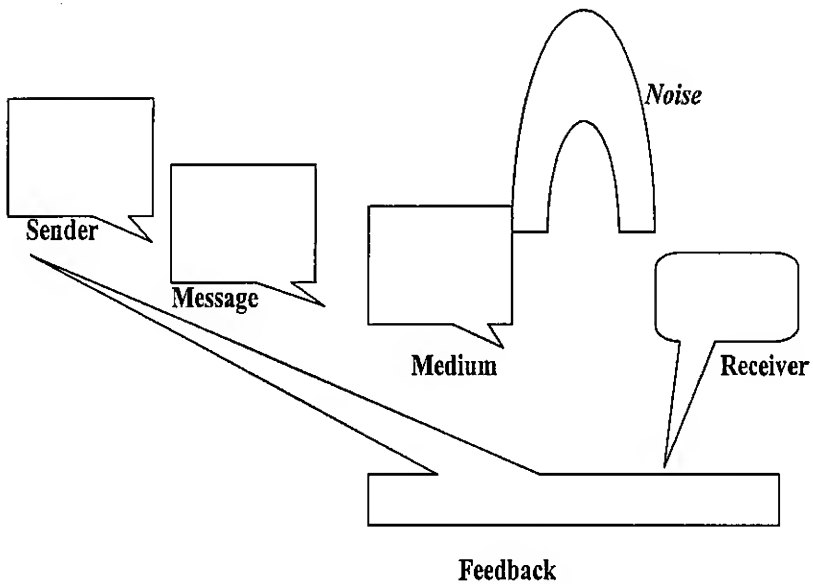
It is necessary that information passes from one step to another in an orderly manner to avoid or at least minimise any miscommunication possibilities among the parties involved in an—organisational setting. Thus communication is the process of passing information as well as its understanding from one person to another. The communication process consists of six basic elements: the sender (encoder), the message, the channel (medium), the receiver (decoder), noise, and the feedback. Supervisors can improve their communication skills by becoming aware of roles played by these elements, the manner in which they should be applied and thus contribute to successful communication. Communication can break down at the point of any one of the named elements.

### THE SENDER ENCODES

The **sender** initiates the communication process. When the sender has decided on a meaning, that is, he **encodes** a message, he selects a channel for the transmission of the message to a receiver. To encode in this respect implies to put a message into words or images. The term



**message** implies the information that the sender wants to transmit and the term **medium** implies the means of communication, such as print, mass, electrical and digital media. As a sender, the supervisor should define the purpose of the message, that is, to construct each message with the **receiver** in mind, select the best form of medium, time each transmission thoughtfully, and seek **feedback**. Words can be verbal, written and spoken. Words are used to create pictures and stories (scenarios) are used to create involvement.



**Figure 8.2: The Communication Process**

### **Channel of Communication**

The **channel** is the path for a message to follow from the sender to the receiver. As Figure 8.2 indicates, supervisors use channels in sending their messages to employees, while employees use channels in sending their feedback to their supervisors. *Horizontal* channels are used in communicating across departmental lines, with suppliers, or with



customers. The grapevine would serve as an informal channel. It is located outside the formal channels and is utilised by people to transmit casual, personal and social interchanges at work. The **grapevine** consists of rumors, gossip and untruthful information. A supervisor should pay attention to the grapevine, but not depend on it for accurate information.

### THE RECEIVER DECODES

Information technology is revolutionising the manner in which organisational members communicate. Network systems, electronic links among computer hardware and software of an organisation have enabled members to communicate instantaneously, to retrieve and share information from any place and at any time. The **receiver** is the person or the group to whom the communication effort is intended. **Noise** is anything that interferes in the communication event. Feedback ensures that mutual understanding between sender and receiver has taken place in a communication event. It implies the transfer of information from the receiver back to the sender. The receiver **decodes** or clarifies the meaning of the message. Thus, in the loop of the feedback, the receiver becomes the sender and the sender becomes the receiver.

Communication and the need to exchange information have ceased to be constrained by place and time. Email, voice mail, and facsimile are factors that have come to facilitate communication and the sharing of knowledge among people. **Email** facilitates the computer transmission and storage of written messages, voice mail facilitates the transmission and storage of digitized spoken messages, and **facsimile** (fax) facilitates the transmission of documents.

### VERBAL COMMUNICATION

Written as well as spoken communication should be applied in situations that are formal, official, or long term in nature; or in situations that affects a larger number of people in related ways. Interoffice memos are utilised for recording of informal inquiries or replies. Letters are formal in tone and addressed to an individual. They are utilized for official notices, formally recorded statements and lengthy communications. Reports are



more impersonal and more formal in nature than letters. They are utilised to convey information, analyses, and recommendations about matters. Written communications addressed to groups would be via bulletin-board notices, posters, exhibits, displays, and audio and visual aids.

Other examples of verbal or spoken communication would be informal staff meetings, planned conferences and mass meetings. The voice and manners of delivery are important factors in this regard. Informal talks are suitable for day-to-day liaison, directions, exchange or information, progress reviews, and the maintenance of effective interpersonal relations. Planned appointments would be appropriate for regular appraisal review and recurring joint work sessions. Planning for an appointment would be such as preparing and bringing adequate information, as well as efforts in limiting interruptions. Telephone calls would be useful in terms of quick checkups and imparting or receiving information.

Teams utilizing the information technology have access to information, to sharing of knowledge, and to the construct of documents. Meetings may take place electronically from multiple locations, saving organisational resources in terms of expenses occurring, while bringing people together physically from different locations, and time lost due to employee traveling. **Teleconferencing**, implies simultaneous group verbal exchanges. Videoconferencing implies group verbal and visual exchanges.

### **NONVERBAL COMMUNICATION**

Nonverbal messages would be images, actions and behaviors applied in communication. Examples of images would be photographs, film, charts, tables, graphs and video. Nonverbal behaviors would be actions, body language and active listening. Examples of actions and body language would be eye contact, gestures, facial expressions, posture and appearance. The effective communicator maintains eye contact for four to five seconds, before looking aside. Gestures should be natural and well-timed. Appearance in terms of grooming and apparels should be appropriate to the situation. Active listening would require good eye contact, alert body posture, and the frequent use of verbal encouragement.



However, a communication process can be affected by many factors and some of the factors are discussed below.

### **FACTORS AFFECTING COMMUNICATION**

Communication and the need to exchange information have ceased to be constrained by place and time. An able and efficient management depends on effective communication which are free from obstacles and noises. The following factors need the attention of a manager to visualise any possible effects on communication.

**The Power of Words:** The terminology used restricts and determines the limits of the human thought process. It is therefore necessary to adhere to the terminology of the Qur'an in communication. New terminologies should be developed and understood in the same context. Use of foreign terminology either directly or in translation would lead to confusion in thought to the uninitiated.

**The Application of Appropriate Language in Communication:** The language used in any communication varies by aspects, such as intimacy, professional circles, age group and gender. When communicating one should ensure applying a language appropriate to the communication situation. It is not appropriate to apply hypocrisy or pretension to communicate with everybody in the same manner regardless of their special background and peculiarities.

**Precise Communication:** Communication must be precise in nature to be useful. Precision in communication indicates that the mind of the individual is active and dynamic. Precision further indicates that the communicator has a definite object for the communication. To use more words than necessary to convey the definite objective does not serve any purpose. Verbosity is not only a waste of time, but may create distrust for the speaker in the minds of the listeners. One can always improve the precision of one's communication and hence its effectiveness through training and experience.



**Pleasant Communication:** A pleasant communication is different in nature from that of bad news. The impact of information depends on the manner in which it is communicated. Misuse of even one word or a symbol can change the content and the impact of communication. Communication must be pleasant in order to be well absorbed and appreciated. Good and positive words have more effect. A good disposition, friendly greetings, a smile, shaking hands are all factors that assist well in the communication process. The voice should be pleasant in that it should convey warmth and friendliness.

**Humor in Communication:** A sense of humour may serve well in communication. One should, however, be aware of where to draw the line. Too much or inappropriate humour indicates lack of seriousness and is perceived as negative. Humour usually involves laughing at human follies, preferably one's own or anonymous, not however, that of the recipient of one's communication. Never laugh at anyone no matter its justification. A sense of humour can save a person from a difficult situation. It can disarm an angry person. A person, who insults or brings one down, can be disarmed through an appropriate joke.

**Personality and Social Intercourse:** A communication style reflects one's basic personality. One may learn a great deal in regards to improving one's style of communication. However, one should avoid developing a 'funny' personality, rather one should be genuine and be oneself. Communication is the basis of social intercourse and the overall functioning of a society. A good word is charity was said by the Prophet. Talk good or keep quite. Avoid bad words. One should use polite words, even towards people, who do wrong. Always apply a personal touch.

**Degradation of Information Quality:** Content of communication is being degraded; as it is passed from one person to another, due to increase in the noise components and by that the cause for decrease in the information content. Noise refers to those factors that distort the intended message.



**Difference in Understanding, Perceptions and Behaviors:** A receiver of information may benefit more than a transmitter. The receiver of a message may understand it but, at a deeper level than might have been intended and thus benefit from it more than the messenger. Behavior is the result of perception, which in turn depends on selection and interpretation of information. The same kind of information can elicit different behaviors among different individuals depending on the variations in their perceptions. Background knowledge, attitudes, and environmental matters affect the manner in which the recipient perceives and interprets information.

**Communication Technology:** Communication is changing with the technological advancements and leaders have to accept new challenges every day. Information overload is a problem and an issue of today; and one must guard against it by maintaining clearly set objectives and by knowing information technology required for the intended purpose.

**Barriers to Effective Communications:** The following factors are common barriers to effective communication: prejudgement of matters, prior to a communication event, individual differences between communicators (self-image, status, roles, personality, cognitive ability, physical situation, social status, culture, vocabulary, and language), distractions, and emotional resistance to being at the receiving end, time constraints, poor listening habit, poor speech, bad timing, and unsuitable circumstances. Other causes for failure in communication would be the following: multiple meaning of words, information overlord, verbosity, value judgement, and filtering. Making prejudgement is one of the most serious causes of failure in communication. As a recipient of communication, one must avoid factors such as assumptions and pre-judgements. Listen to the data and make a judgement. Reconfirmation of information to enable reaching the right conclusions is an essential



aspect of Islamic communication. Some details in this regard will be discussed below.

### **COMMUNICATION FROM THE ISLAMIC PERSPECTIVE**

Islam being a comprehensive way of life, as prescribed by Allah, offers a unique and sound guidance for improving human communication. The Islamic concept of interpersonal communication in organisational setting is an effort that has to be made by managers. Islam attaches much significance to human communication. The religion declares that communication is a special gift, which Allah has bestowed upon man after his creation. The Qur'an states:

The most Gracious (Allah)! It is He Who taught the Qur'an: He has created man: He has taught him speech (55:1-4)

In Islam man is not free to utilize his communication ability, as he pleases. He is accountable, before Allah in regards to the manner in which he has applied during his lifetime. Therefore, man has to be very careful, serious and responsible in his use of communication skills. The Qur'an warns: "Every act of hearing, or of seeing or of (feeling in) the heart will be inquired into (on the day of reckoning)" (17:36).

Since the manner in which man is dealing with communication also affects other people, it is of such a crucial matter, that it can make or mar the eternal life of a person. Prophet Muhammad (SAW) said:

Truly a man utters words to which he attaches no importance and by them he falls into the fire of hell, and truly a man utters words to which he attaches no importance, and by then Allah raises him into paradise.

There are many factors to be considered in discussing the issue of communication from an Islamic perspective. Some of these factors are discussed in the following paragraphs:



**Man has been given speech:** (Allah) most Gracious! It is He Who has taught the Al-Qur'an. He has created man: He has taught him speech (and Intelligence) (Al-Qur'an, 55:1-4).

**Variations in languages:** And among His Signs are the creations of the heavens and the variation in your languages and your colors; verily in that are signs for those who know (Al-Qur'an, 30: 22). We sent not a messenger except (to teach) in the language of his (own) people, in order to make (things) clear to them. Now Allah leaves straying those, whom He pleases and guides whom He pleases: And He is exalted in power, full of Wisdom (Al-Qur'an, 14:4).

**Speculation (*dhanri*) in communication is condemned:** One must be in the position of correct facts: Say good to people: And remember We took a covenant from the children of Israel (to this effect): Worship none but Allah treat with kindness your parents and kindred, and orphans and those in need further speak fairly to the people be steadfast in prayer; and practice regular charity. Then did you turn back, except a few among you, and you backslide (even now).

**The excellence of good word:** Kind covering of faults is better than charity followed by injury. Allah is free of all wants, and He is most forbearing: "Say to My servants that they should only say those things that are best: For Satan does sow dissensions among them: for Satan is to man an avowed enemy. See you not how Allah sets forth a parable? A goodly word is like a goodly tree, whose root is firmly fixed, and its branches (reach) to the heavens. It brings forth its fruit at all times, by the leave of its Lord". So Allah sets forth parables for men, in order that they may receive admonition. And the parable of an evil word is that of any evil tree, as it is torn up by the root from the surface of the earth: it has no stability.

Narrated by Abu Huraira: The prophet (SAW) said, "A good pleasant, friendly word is a Sadaqah." Narrated by Malik: "He who believes in Allah and the last Day of Judgment should talk



what is good or keep quiet. (i.e., abstain from dirty and evil talk, and should think before uttering.”

**A good word even to those whose approach is bad:** Narrated Aisha, the wife of the Prophet (SAW): “A group of Jews entered upon the Prophet (SAW)” and said, “As-SamuAlaikum.” (i.e., death be upon you). Aisha understood it and said, “Wa-Alikum As-Samu wal-lana” (death and the curse of Allah be upon you). Allah’s Apostle (SAW) said, “Be calm, O Aisha! Allah loves one who should be kind and lenient in all matters.” Aisha said, “O Allah’s Apostle! Haven’t you heard what they (the Jews) have said?” Allah’s Apostle (SAW) said, “I have (already) said (to them) and upon you.”

**Condemnation of the bad word:** Narrated by Masruq: Abdullah bin Amr mentioned that Allah’s Apostle (SAW) saying that he was neither afahish nor a mutafahish. Abdullah bin Amr added, Allah’s Apostle (SAW) said: “the best among you are those, who have the best manners and character.”

**Insincere communication:** There is a type of man whose speech about this worldly life may dazzle and who calls Allah to witness what is in his heart: Yet, he is the most contentious of enemies. Whenever his back is turned, his aim everywhere, is to spread mischief thorough the earth and destroy crops and cattle. But Allah loves not mischief. When he is being told ‘fear Allah’ he is led by arrogance to (more) crime. Enough for him/her is hell, an evil be indeed (to lie on).

**Excellence of mentioning the name of Allah and reciting the Qur’an:** Narrated by Abu Musa: The Prophet (SAW) said, the example of a believer, who recites the Qur’an is matter of a citron (a citrus fruit), which is good in taste and good in smell. Further, the believer who does not recite the Qur’an is like a date, which has a good taste but, no smell. Again, the example of an impious person, who recites the Qur’an is that of Arrihana (an aromatic plant), which smells good, but, is bitter in taste.



Lastly, the example of an impious person, who does not recite the Qur'an is that of a colocynth, which is bitter in taste and has no smell.

A further example in the context of the above would be the following: 'Abdurahman bin Abi Bakr's father (R.A) was riding his camel and a man was holding its rein. The Prophet (asked: What the day today is. We kept quiet, thinking that he might give that day another name. He said, Isn't it the day of *nahr* (slaughtering of the animals of sacrifice)? We replied, 'Yes' He further asked, "Which month is this?" We again kept quiet, thinking that he might give it another name. Then, he said, "Isn't it the month of Dhul-Hijjat. We replied, yes. He said, verily! Your blood, property and honor are sacred to one another (i.e., Muslims) like the sanctity of this day of yours, in this month of yours and in this city of yours. It is incumbent upon those who are present to inform those who are absent because those who are absent might comprehend what I have said better than the present audience."

**Avoiding confusing others:** Narrated by Aswad: Ibn Az-Zubair said to me, Aisha used to tell you secretly a number of things. What did she tell you about the Ka'aba? I replied, she told me that once the Prophet (SAW) said, O Aisha! Had not your people been still close to the pre-Islamic period of ignorance (infidelity) I would have dismantled the Ka'aba and would have made two doors in it: one for entering and the other for exiting. "Later on Ibn Az-Zubair did the same."

**Using non-verbal communication:** "Narrated by ibn Abbas: Somebody said to the Prophet (SAW) during his last Hajj. 'I did slaughtering before doing the *Ram'i*.' The Prophet (SAW) beckoned with his hand and said, 'There is no harm in that.' Narrated by Abu Hurairah: The Prophet (SAW) said, '(Religious) knowledge will be taken away (by the death of religious scholars) ignorance (in religion) and afflictions will appear and *harj* will increase.' He was asked, 'What is meant by *harj*, will increase,' He was asked, "What is *harj*, O Allah's Apostle (SAW)? He replied by beckoning with his hand indicating 'killing.'"



## PRINCIPLES OF COMMUNICATION IN ISLAM

Islam emphasizes the importance of effective communication in human life. It further, and specifically so, identifies and recommends a detailed set of Divine principles for its effectiveness. These principles ever have universal and eternal applicability, as they are of Divine origin. The following is a systematic account of these principles in light of the Qur'an and Sunnah.

Aspects to be practiced in communication	Aspects to be avoided in communication
<i>Kindliness and Affection towards Others</i>	<i>Backbiting</i>
<i>Politeness in Communication</i>	<i>Avoid Suspicions and Spying</i>
<i>Speak the Truth and be Straightforward</i>	<i>Being Two-faced</i>
<i>Clarity and Brevity</i>	<i>Actions Speak Louder than Words</i>
<i>Repeat Important Points</i>	<i>Abuse or Ridicule</i>
<i>Two-way Communication</i>	<i>Vain Discussion</i>
<i>Investigate Rumours</i>	<i>Anger and Emotions</i>
<i>Mutual Trust and Confidence</i>	<i>Severe Relations</i>
<i>Be Wise in Communication</i>	<i>Secret talks in small Groups</i>
<i>Greet and Thank People</i>	<i>Fast Talking and frequent Interruption</i>
	<i>Manipulate</i>

## EFFECTIVE COMMUNICATION IN ISLAM

It is important to have a short discussion as follows to understand how to make Islamic communication more effective.

**Repetition in Qur'an to ensure effective communication:** Allah has revealed (from time to time) the most beautiful message in the form of a book, consistent with itself, (yet) repeating (its teaching in various aspects) the skins of those who fear their Lord tremble. Then their skins and their hearts do soften to the celebration of Allah's praises. Such is the guidance of Allah: He guides therewith whom He pleases, as the one Allah leaves to stray can have none to guide.

**Reconfirmation of information:** "O you who believe! If a wicked person comes to you with any news, ascertain the truth lest you harm



people unwittingly and afterwards become full of repentance for what you have done.”

**Application of the right word:** Narrated by Abu Hurairah: The Prophet (SAW) said, “Don’t call the grapes Al-Kami, and don’t say Khaibat-ad-Dahri for Allah is the Dahr.”

**Translations from other languages:** Kharisa bin Zaid bin Thabit narrated that Zaid bin Thabit said, “The Prophet (SAW) ordered me to learn the writing of the Jews. I even wrote letters for the Prophet (SAW) to the Jews and also read their letters when they wrote to him.”

**Practice selective communication to avoid misunderstanding:** Ali said, “You should preach to the people according to their mental calibre so that they may not convey wrong things about Allah and His Apostle.”

### THOUGHTS FOR EFFECTIVE COMMUNICATION

- a) Communication as a process may often involve aspects such as conflict and compromise, but the approach applied to such communication event is of high importance for its successful resolution. By involving in a fruitful discussion on matters, much can be resolved.
- b) By applying a realistic attitude towards matters, negative stress may be avoided. Life may not always be an eventless or smooth journey; therefore, a balance between optimism and practicality should be better sought.
- c) By breaking down problems into manageable parts, brainstorming possible solutions, and confronting one issue at a time, one may achieve better communication.
- d) By taking regular walks when feeling down, one may lift up one’s mood and bring about more positive feelings



towards oneself, and this through the release of endorphins or the so called “feel good hormones.”

- e) Following a serious misunderstanding with another person, an openhearted discussion would be much desired and in this manner express one’s feelings, as it promotes better future understanding.
- f) Avoid feelings of envy towards others, as this would not promote one’s own success. Rather, set the focus on one’s own personal goals for achievement.
- g) Recharging “batteries” may be very essential for the wellbeing of any person. By searching for a quiet place, where one may find the required relaxation, and while closing one’s eyes, and visualising a peaceful place for a minute, one may achieve tranquilly desired.

### **CORPORATE COMMUNICATION SCENARIO IN A MUSLIM SOCIETY**

With environmental threats and government, as well as non-government pressures, the role of corporate communication appears to have become more recognized and appreciated by business organisations in Malaysia. Many organisations are creating departments and units to plan and implement programs in corporate communication. Evidence of this may be seen in the burgeoning of the practice of corporate communication in the private and public sectors, particularly in the current era of globalisation that has inundated organisations with information, placing an urgency for corporate communication to manage new, diversified, conflicting as well as unpredictable waves of information and communication.

As Malaysia, probably as a first Muslim country, is striving very hard towards realising its vision of becoming a developed nation by year 2020, many organisations have been operating under a “pressure cooker”



environment. The climate for business in Malaysia has become increasingly heated yet lucrative. The current scenario is now that of an attitude of "no-nonsense" with an increased enactment of law, and constitutional amendments for the protection of consumers, children, women, environment and the workforce. Work as far as legislation and regulation is concerned has commenced. This fact may seem as an imposition on business to place a greater concern for the well-being of the society and for the protection of the Malaysian environment. In other words, there appears to be a need for them to operate hand-in-hand with the government in nation building. Consequently, tremendous pressure on businesses may prevail, which may see their freedom curtailed by governmental intervention in the form of stringent policies that require them to comply or die.

Towards this end, the belief is in the significant role that corporate communication practitioners and media could play in addressing and combating the myriad of negative publicity that continues to plague Muslim societies. This publicity again may be the result of disinformation, misinformation, and lack of information or simply bad, unethical and irresponsible journalism, orchestrated by those whose agenda is to discredit the good image of Muslims worldwide.

The knowledge of communication from an Islamic perspective may contribute to this end, since the turf of corporate communications forms part of the public and corporate reputation an intangible asset of great value to business. In a very connected world today, organisations are being linked closer to the society than ever before and this would imply that corporate reputation would soon become a major part of the aspect of social responsibility of business. Anti-capitalist demonstrations at global financial, economic and trade summits from Melbourne, Quebec to Italy underscore the need for ethical concerns, particularly in a rapidly advancing country like Malaysia. A recent MORI survey (Sanders, 2001) reveals that one in six of the UK population frequently buys or boycotts a product based on the reputation of the manufacturer. The Blair government of the UK has appointed a Minister for Corporate Social Responsibility, and Sanders (2001:12) contended, "earlier this year, Kofi



Anan had launched the Global Compact, a partnership between the UN and business to uphold and promulgate a set of core values in the areas of human rights, labour standards and environmental practice.”

Corporate social responsibility (CSR) can only become an important agenda, when CEOs acknowledge its role. In Malaysia consultants and academics in corporate communication have a major role to play in highlighting the need for meaningful CSR in the area of reputation building. Islamic values for managerial communication in changing environments will be an added value for managers. Types of programs, appropriation of funds and categories of beneficiaries must be reassessed and methods of evaluating the effectiveness of CSR in terms of its contribution to the bottom line must be devised. Businesses are not really reaching out to the many genuinely deserving cases or participating energetically in the alleviation of social ills. There is thus a Public Relation role of management to be played more proactively that must move beyond mere “lip service.”

### SUMMARY

The term communication simply refers to the vital transmission of ideas. The function of communication serves the means by which organised activities are unified. The purpose of communication in an enterprise is to effect changes as well as to influence actions towards the welfare of an enterprise. The message of the communication is channeled through a number of approaches called the process and flows, as shown in Figure 8.1 and 8.2. The foregoing description of the Islamic principles of organisational communication establishes the vast amount of guidance provided in the Quran and Sunnah in regards to this particular sphere of life. Islam condemns the use of communication skills for manipulating and exploiting others. Islam not only guides the Muslims as to the manner in which to communicate, but also assists in guiding in terms of what should be communicated and why.



## QUESTIONS

1. Discuss the significant role communication plays in a Muslim organisation?
2. Relate the principles of communication in Islam to Muslim organisations and provide examples of each from the Quran and Sunnah.
3. What are the bases of differentiating conventional and Islamic perspectives of communication?
4. How can you make organisational communication an effective tool for a successful management?
5. Why is there a need to look at communication from an Islamic perspective? Discuss the principles of communication from the Islamic perspective.

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## *Chapter 9*

# **CONTROLLING**

These headings and sub-headings have been listed in the beginning of the chapter, 'controlling' for the quick reference and easy access by the readers. Besides the chapter begins with an introduction and ends with a summary followed by relevant questions and references. This chapter discusses the topics as given below.

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## INTRODUCTION

The word “control,” originates from a French root; and the word “contre,” means “against.” The word “role” means “a function assumed by someone” (Webster Dictionary). Koontz and Donnell (1972: 6) defined control as “the measuring and connecting of activities of subordinates to assure that events conform to plans.” Thus, the term measures performance against set goals and plans. The act of controlling reveals deviations and assists in assuring the accomplishment of plans. Planning, at a managerial level, as well as at an operational level, is a process with future aims in view and that lays down steps that have to be taken for its achievement. Controlling, on the other hand, is the process of monitoring the various activities being carried out to ensure that plans and pre-determined objectives are being accomplished. The act of controlling protects the management from unpleasant surprises. In the absence of an implemented control system in an organisation, managers would hardly know to what extent their units and employees are performing properly. Therefore, these functions of the managers, planning and controlling, go hand-in-hand. They must have a check and balance mechanism in place, before the management of the affairs of the company may be jeopardized. The act of controlling puts into effect corrective measures, whereby deviations or shortfall may be prevented. In the absence of the practice of an effective control system, an organisation might be at the mercy of many negative internal and external forces. Such odds can disrupt the efficiency of a management, due to the fact that the management would be unaware of any disruptive forces and therefore unable to combat them.

In the past, the practice to review the state of organisational performance look only once a year, and this at the time of the annual accounts was common. Between the end of one year to the end of the next, little information was prepared to indicate the performance of the business. Hardly any specific control could be applied simply due to lack of information. Practices of control were only those imposed on the shop-floor level and on that of staff, particularly in regards to the performance of sales representatives, and this exercise was carried out specifically,



due to its importance for the purpose and benefit of the operation.

Nowadays, however, control is being exercised in every aspect of organisational functions, from the management performance to activities carried out at every level right down to the shop floor. Effective control ensures that the input of efforts at all levels of an organisation meets with the requirements for the achievement of the goals and objectives of the management, as well as of those of the sectional functions throughout an organisation. A prerequisite for control is a set standard against which performance can be measured. If there is no standard set, there would be no effective measurement of performance. The standards for all levels of management and supervision must be set at the planning stage in that this would reflect the required performance for each activity.

### **STANDARDS FOR QUANTITATIVE CONTROL**

The concept of standards in this regard is divided into two broad categories, such as quantity standards and quality standards. In the first group, one would find matters, which can be quantified, and thus in these group specific measures of standards can be set and should be met accordingly. Among such standards would be those for sales, production, machine utilisation, output per worker and many others. Among these standards, one further finds figures for the growth of the enterprise, required savings reduction on expenditure and so on. In this connection, it should be taken into consideration that once standards are set the coordination of all relevant activities would very much be required. Thus, for example, a standard may be set for the sales of each month, but these must be commemorating with a possible level of production, a level, which should also have its monthly standards set.

Standards for quantity are set based on data derived from past performances and on forecasts of future possibilities, where they are subjected to a fair measure of possible external influences. Under the circumstances whereby performance is under the direct control of managers and supervisors, as in the case of that of a factory floor, standards are then set by a reference to a measurement of actual work. The time



scales for standards of quantity may vary according to the activity being controlled. In an actual manufacturing process, standards for hourly or weekly output per worker are easy to apply and to measure. Standards for sales are frequently applied on a monthly basis, as are those required for the matching to the production. Many other standards, particularly in regards to those relating to expenditure, are established for yearly periods, but are, however, divided into monthly rates for the ease of monitoring, so that interim adjustments can be made in the light of continuing circumstances.

### **STANDARDS FOR QUALITATIVE CONTROL**

“Quality Control” is a term used to cover the scope of this type of control of all aspects of organisational activities that cannot be quantified. This form of control is a difficult area of control. Thus, the standards set in these types of activities will to a certain extent be “elastic” in nature. In these areas, though standards must be expected, they are difficult to specify with particular precision, as in terms of, for instance, standards of requirements for customer goodwill, industrial relations, staff welfare and a host of other similar activities. To control and state the standards for the performance of managers themselves may be rather difficult. Yet, in all such areas, standards must be aimed at and similarly some means for monitoring performance would be required. Once standards have been set, some mechanism must be devised and installed for each activity, whereby the performance can be observed and measured to the set standard. Monitoring performance is a vital part of the process of control, as it would be unrealistic to expect an ability to control any activity unless constantly monitored. Any control of the output of an assembly shop on a factory floor, for instance, would not be possible, unless the number of units completed is being counted. Similarly, inspections of the completed units are necessary prior to confirmation in regards to their conforming to quality standards. The manner in which the monitoring will be carried out would much depend on the activity to be controlled. On the factory floor, the checking can be completely over; that is, workers and supervisors expect their work to be closely inspected and for controls



to be instantly activated. If, in the above example, the output of an assembly shop falls short of the required standard, immediate steps would be taken to correct the situation. This would be managed at the supervisory or lower management level, and only in the event of a persisting problem, would the higher level managers be called on. Similarly, if the quality control, or inspection, as it is usually being termed, finds genuine causes to reject a greater number of units, the flexibility allowed, according to the relevant standard, for corrective measures to be taken without delay. As the management ladder ascends, the nature of the process of control becomes less open. At this level, the time frame for methods of monitoring and the application of any adjusting mechanisms would be longer. At the highest level of management, where the time frame for the outcome of actions to become apparent is longer, and the monitoring is carried out by means of reports, statement feedbacks from the many stakeholders and the like, and only after considerable deliberation, are modifications being put into effect, where considered necessary. At the very top level of an organisation, the performance of the chief executive is gauged principally through the results shown on the annual accounts and reports, and corrective action, if at all taken, is often a matter of the entire governing body.

### APPROACHES TO CONTROLLING ACTIVITY

There are basically three approaches to the activity of controlling, and they are as follows: (1) Legal approach, (2) Social & Clan approach; and (3) Market approach.

*Legal approach:* The law of the land and company provides a basis for checks on activities and performance.

*Social and Clan approach:* Social pressures and a check on human behaviour is considered as a basis for exercising control on activities of the individuals in an organisation.

*Market approach:* This is quite common nowadays. The market forces



(demand and supply) and their manipulation is used for exerting pressure on the business behavior.

### **PROCESS AND PRINCIPLES OF CONTROL**

The act of control is an important part of the functions of management and can impose an unduly heavy burden on the person responsible, unless steps are taken to ease the situation. An important technique in this regard, originally suggested by F.W. Taylor, is the “exception principle” or “management by exception,” as it is commonly called. When matters are proceeding according to plan, to involve the attention of the managers concerned is not required, as there may be no justification for unnecessarily employing executive time. Management by exception implies that only exceptional circumstances require the attention of the top management. Under normal procedures, such intervention would not be required.

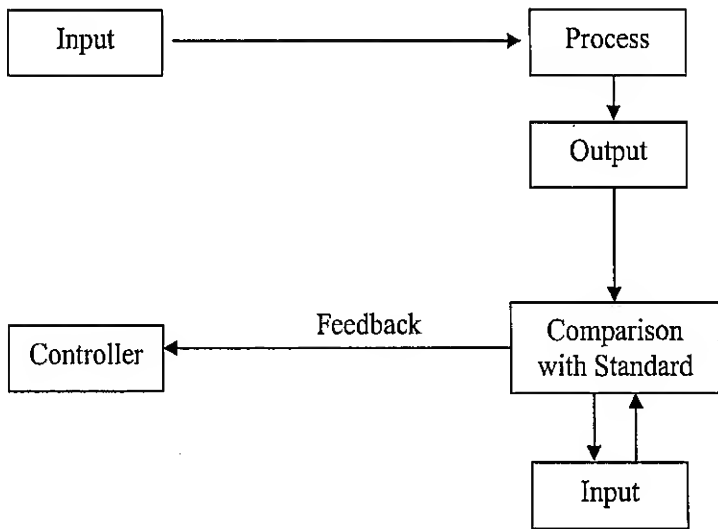
“Management by exception” relies for its efficient operation on regular reporting of matters and on well-defined operational limits. While activities proceed within the specified limits, no reports are required to be passed to the managers concerned. Where limits however are exceeded, exceptional reports should be made. An example in this regard illustrates the matter. If the acceptable number of rejects of a product were laid down, for instance between one and five in a thousand units, in this instance within these limits, the reject level will not be subjected to a report. However, should the level suddenly increase to seven per thousand, an exception report would have to be forwarded to the production controller for an investigation to be initiated.

Decisions of required control should as far as possible be made automatically. The ideal situation is whereby the necessary control is carried out without any human intervention, whatsoever. This is in existence, for instance, in a central heating system, where the boiler is switched on and off automatically by a thermostat, which senses the ambient temperature. This form of self-activation is to some extent employed in some credit control systems, in which the computer automatically prints payment demands, when an overdue of account sensed.



However, mostly, it is not possible to design such automatic controls. Nevertheless, a human judgement can be taken into account by the use of programmed decisions. Where judgement is required in the control process, it will to a very large extent depend on a feedback in order for appropriate steps to be taken to correct a situation that is not proceeding according to plan. It is essential, therefore, that a proper system of communication for management information be established so that the necessary reports can flow to the manager or supervisor responsible for the activity concerned with minimum of delay. Such a system of control is illustrated below in Figure 9.1.

**Figure 9.1: Control Systems with Feedback**



**Source:** Ahmad, (1994: pp.112)



In principle, to simply rely on adhoc control arrangements is considered unsatisfactory. The more automatic these can be made, the more effective the controls would operate.

For control to operate truly effectively, it must be governed by firm principles, and the following would be the main ones, as below:

- a. The method of control must be suitable for the activity it seeks to regulate. It should be of the minimum required to achieve the desired results. Over-elaborated controls often lead to the system being ignored or distortion. Accuracy should further commensurate with control requirements and no more as absolute accuracy is often quite unnecessary. It may result in the lengthening of processing time.
- b. The cost of controls installed should not exceed the amount they would save. The cost of a 100 per cent quality control on a mass produced product for instance may be higher than the replacement of defective items returned by customers.
- c. The type of industry or activity concerned must determine the required types of control. The controls suitable for a shipbuilder would not be satisfactory for a local authority.
- d. Feedback information must be available to the controller in time for corrective actions to be taken, before matters may go beyond control.
- e. It is essential that corrective action be taken promptly and consistently, when required and such action must be reviewed, as it is most unwise to give subordinates the impression that they may ignore standards with impunity.
- f. The exception principle should be applied wherever possible. Nevertheless, full back-up information should be made



available, as required, even though this material may not normally be handed to the management. This should further, however, be filed only for limited periods.

- g. Areas of accountability and authority should be clearly defined to reduce any doubts in regards to the holder of responsibility for the various control activities.

### **TYPES AND METHODS OF CONTROL**

Given that standards must be set and monitoring must be carried out to ensure that these standards are adhered to and deviations corrected as soon as possible, forms of regulating mechanisms must be established. As suggested, these would depend upon the type and level of activity that is to be "checked." Henceforth, various methods are being recommended as below, their appropriateness is a matter for much consideration by the management.

#### **A. POLICIES AND PLANS**

To ensure that the above are adhered to, written policy manuals would be required and regular reporting should be instituted to monitor the progress of the enterprise in respect of policy implementation and the satisfactory materialising of plans. Reports should emanate from the operating departments or divisions to the top management, and regular meetings with senior executives should be scheduled to examine and deliberate on the contents of the reports. Actions should then be taken urgently, to regulate any serious deviations. Similarly, departmental or divisional reporting to heads of department or division by middle and junior managers could be dealt with in the same manner. Other monitoring methods to be employed could be budgetary control, management by objectives, management by exception and management by consequences.

#### **B. EFFECTIVENESS OF DELEGATION**

The extent and limits of delegated authority and duties of managers and supervisors at all levels should be clearly confirmed in an organisation as



well as in procedure manuals. Internal management and procedure audits should be carried out in the same fashion, as should internal accounting audits and audit reports prepared for consideration by senior executives, who are responsible for the activities of their subordinates.

### **C. OPERATIONAL EFFECTIVENESS**

Much monitoring and regulation of the performance of workers may be carried out on the spot by supervisors and foremen. This personal control is most immediate and most effective, where small groups of workers are involved. Large groups usually require such methods, as work cards, progress slips, time cards and other forms of documentation. In most factories, a system of progress chasing has been established to monitor and regulate the movement of work carried out in the various shops. This entails both the regular preparation of progress documents to the production planning office and personal inspection by progress chasers.

### **D. QUALITY AND QUANTITY CONTROLS**

Personal inspection by supervisors or quality control inspectors is necessary to control quality standards, be they applicable to work in the office or work on the production line. Quantity control is carried out by measuring the actual amount of work carried out by count, weight or any other appropriate method, and by comparing these results with the standards set. Visual presentation of what is expected and what has been achieved is very often provided by charts or graphs. Sales and similar activities are more easily illustrated by graphs.

A commonly used chart is the Gantt chart, which reveals the performance of the assembly workers and, in particular, draws attention to exceptional circumstances. For instance in month 3, the low output of all three workers simultaneously indicates some common problem in the particular shop.

### **E. EXPENDITURE CONTROL**

Both capital and revenue expenditures can be regulated through a budgetary control, which sets limits to permissible expenditure on all



aspects of organisational activities. At the departmental level, budgets would be covering sales expenditure, expenditure in regards to the production, administration and so on. These budgets are to be incorporated in a master budget, which is the province of the top management and most senior executives.

### **F. REPORTING**

Most monitoring of activities is done through reporting in one form or the other. To be effective and to ensure remedial action is taken with a minimum of delay, reports must be presented at the proper time, and in an acceptable form. Thus, a specific day every week should be set aside for a cash flow report, whereas a production report may be required only once a month. Sales reports, similarly, are usually presented once every month.

It has been established that proper control cannot be instituted and maintained unless prior standards (both quantitative and qualitative as discussed above) have been set. Therefore, unless this is being done, there would be no basis for any comparison against which controls can be installed. However, though the bases for some standards are easy to measure, others may prove more difficult. Various methods for the controlling of the activities of organisations have been devised and put into practice, both in areas where control may be easy to carry out and also in instances, where this may be more problematic. One of the most important and most commonly applied controls would be the budgetary control.

### **G. BUDGETARY CONTROL**

An effective approach in controlling any organisational activities would be to set certain limits to expenditure. Managers responsible for the various departments are required to examine closely any costs that they wish to incur. Such control may sometimes prove negative in effect, because it tends to prevent rather than to encourage action. However, the most common form of financial regulation is budgetary control and this form is now very widely applied both in private and in public sectors.



In practice, each department in an organisation is required to forecast its future expenditure, usually for a period of a year, and this is divided into the various elements that make up its total cost. The length of actual period would depend upon what type of industry or activity within which the organisation operates; further, where there are violent fluctuations in the workload, perhaps seasonal in nature, as in the building construction, where the overall budget period may be shorter and set to cover the various periods of differentiation in levels of activity. Budgets are, however, to be prepared for areas such as Production, Distribution, Purchasing, Personnel, Administration and Capital Expenditure, which are areas covering the principal spending aspects of the enterprise. Except for the Capital Expenditure Budget, one could claim with certain confidence that all the expenditure budgets are tied to the Sales Budget, which represents the target of the sales, and, thus the spendable income for the period set.

The Capital Expenditure Budget will be influenced by predicted sales over longer period as well because expenditure on plants, new buildings and the like are to be determined to a large extent by expected sales volume. Sometimes actual capital finance would be generated through funds other than sales revenue. The Figure 9.1 gives an example of this.

Budgeting also plays a crucial role in the public service sectors, such as in local government, government departments and so on. The chief difference in this regard from the private industrial sector is that, instead of a sales budget, there is a budget for rate income, grants, and donations of taxes. Further, it appears that expenditure may be planned before income has been forecast, and income is geared toward planned expenditure. This is possible so because these bodies may often have statutory powers, enabling them to raise the income required. This might be the practice, even so certain restrictions are being put on such organisations that curtail freedom in this respect. The central government may for instance reduce the grants made to local authorities, and public resistance can make itself felt both in regards to high rates of income tax and to high local taxes.



# CONTROLLING

**Table 9.1: Specimen of a Budget**

.....Budget for the Year .....			
Prepared by.....		Date .....	
Expenses	Annual	Monthly	Remarks
	\$	\$	
Salaries	25,500	25,500 12 months	
Car expenses	5,300	5,300 12 months	
Light and Heat	2,500	2,500 12 months	
Rent	6,800	6,800 12 months	
General Insurance	1,300	1,300 12 months	
Stationery	1,300	-	
Sundries	650	650 12 months	
Audit Fee	260	260 12 months	
Total	43,610	43,610	

*Source: Ahmad, (1994: pp. 105)*



After the individual budgets have been prepared and agreed upon by the departments and management, a master budget should be prepared to incorporate all the separate budgets. This would represent to the budget for the entire organisation.

The preparation of a budget is, however, only the first step in controlling expenditure. To introduce some controls in the mechanism to ensure compliance with the budgets prepared would further be required. This would be done by requiring regular budget review statements, usually on a monthly basis. These monthly statements would set out the proportion of its annual budget apportioning to the month under review for each budgeted item and alongside each item, the actual expenditure and any variance from the budget, either higher or lesser. It is thus easy to establish whether the department concerned is overspending or under-spending or even. In case where the variances occur, these variances, especially when an increased expenditure is indicated, must then be examined to justify it, and why they have occurred so that corrective actions can be taken where required without delay, to bring the particular activity back into line. See Figure 9.2 below for the specimen.

A budget committee is usually considered advisable to set up, and to be composed by senior staff members including heads of department or their representatives. Within such committee, budget statements can be deliberated upon and remedies discussed to ensure compliance with planned expenditure, or any failure in revenue generation to be examined. In many organisations, a budgeting officer heading a small number of staff is common and whose sole responsibility is to assist in the preparation of budgets, to recommend management approval and to ensure the proper operation of a budgetary control mechanism.

The major problem affecting budgetary control is the sales forecasts, on which the sales budget is prepared, as it cannot be accurate due to many unpredictable factors, such as changing tastes of consumers, unforeseen new developments in competing products and a changes in the economic climate. If sales figures fluctuate, budgets based on fixed figures clearly cannot operate effectively. Although, budgetary control may fail to provide a total regulation of expenditure, it does have a number



of advantages, as follows:

- a. The limits set on expenditure do impose a brake on extravagance and on poor views in terms of financial commitments: they ensure that serious consideration is given prior to expenditure, thus to avoid indulgence. Attention is drawn to undue expenditure requirements at an early stage as well as any defense of them.
- b. The preparation of budgets requires all concerned to examine very closely the overall operation of their particular departments. Forecasts have to be made and targets set. These actions tend to be rational in nature and do impose restraints on unrealistic ambitions, while emphasizing any requirement for practical and attainable goals.
- c. As all budgets are interdependent, budgetary control has a positive effect on co-ordination. Related departments must work together in order for their budgets to become compatible and correlated.
- d. The requirement to prepare periodical budget review statements and the holding of regular meetings for budgetary control review ensures a constant monitoring of budget performances.
- e. The above monitoring has two advantages. The first would be, managers and others responsible for budgets are disposed to ensure that the budget figures are adhered to as far as possible. The second would be, non-compliance with budgeted performance is brought to attention of the management at an early stage, so that any required remedial actions can be taken with the minimum of delay.
- f. Similarly, such monitoring may also reveal unrealistic original budgets and figures that may have to be adjusted in the light of internal or external conditions coming about subsequent to the budget formulation.
- g. As the managers are being held responsible for their own budget figures, this functions as their incentive to keep within the limits set and to ensure that their staff comply with the constraints put upon the department.



**Table 9.2: Monthly Budget Review Statement**

Dept: _____ Month _____				
Budget Activity % _____ Actual _____				
Achieved % _____				
	Month		Variance	Remarks
	Budget	Annual this Month	Year to Date	
Total				Date
Signed				

*Source: Ahmad, (1994: pp. 107)*



Despite the above advantages of budgetary control, they may also present some disadvantages, which should not be overlooked.

- a. A budget functions as a monitoring aid not a regulator. Some managers are inclined to view it, as the latter and thus abrogate their responsibilities. If certain required expenditure falls outside the scope of the budget, but is to ensure efficient operation in a specific instance, this additional cost must be argued for.
- b. In many cases budgets are looked upon as indicators of expenditure that should be incurred. Where the budgeted figures cannot be attained, unnecessary expenditure may have to be incurred, because a budget surplus is available and must be used up. This occurs most frequently, whereby annual budgets are based on budget figures of the previous year, instead of formulated realistic new forecasts. The often repeated comment is that "our budget will be cut next year, if we do not spend all of it this year."
- c. Where budgetary control is so precise that separate budgets are prepared for sectionalized requirements, the case is often that any surplus from one budget will not be passed over to a next, which would instead likely be in a deficit, even though for practical reasons the former approach might have been highly desirable. This practice does not benefit the organisation, as a whole.
- d. In times of fluctuating prices, the practice of budgeting may present difficulties, and when high rates of inflation occur, budgets become out of date very quickly. The remedies in this respect would be frequent reviews of the bases for the budgeted figures and the installation of flexible budgets, which can, within limits, accommodate price changes.



So far, financial budgets have been under discussion. However, it is essential to recognize that budgets can also be prepared in units other than monetary; for example, in terms of units of production, volume of sales, number of working hours of employees and so on. The type of unit used would depend entirely upon the surrounding circumstances; however the principles discussed in regard to monetary budgets remain the same.

### **CONTROLLING FROM THE ISLAMIC PERSPECTIVE**

The basis for controlling in Islam is not necessarily the same as those of the above approaches of controlling. The mechanism of internal or external control, business or personal and social or legal controls must not violate basic principles of the Shari'ah.

The Islamic approach to control emerges from its worldview. Social and clan controls may be preferable over legal and market control mechanisms. It is rather human-oriented in its outlook. The present mode of thinking gives great emphasis on the Western outlook. Since most of the contemporary management gurus and practitioners are trained in that culture, they prescribe the same control policies and practices. However, our culture differs and we need to re-look at those prescriptions critically.

The secular mode of thinking gives a great emphasis on the significance of the individual aspect of the human self. The virtue of social cooperation and clan control is not fully understood. Thus the present corporate leaders have to take the initiative to develop and inculcate a good atmosphere where not merely competition, but also cordial individual working relationships can be nurtured and fostered. Through this approach, optimum individual potential for efficiency can be developed.

The main concept remains true; and a prerequisite for any type of control is of threefold (Abo-Hebeish, A.M., 1995) as follows:

- 1) Establish a standard of performance
- 2) Keep the performers informed in this regard prior to their actions.



### 3) Take remedial measures, if required

The Islamic control process may be analysed in the light of the above discussed management control process, based on a scenario that emerges from the sources of revealed knowledge stated as follows:

- a) A Messenger was sent by the King of all the kingdoms (Allah) to the cities (group of people) or to the head of the community.
- b) The Messenger communicated the message from the Almighty and its requirements (standard setting).
- c) People received and some of them understood the message, which came down from Allah to the people.
- d) Many of them continued their old practices (shirk and denial), which were going against the delivered message (a perceived deviation from the set standard).
- e) As a remedial measure, Allah provided opportunities in this world for *taubat* (asking forgiveness)

The analogy of the above stated conditions for a management control process and cycle actually shows a great deal of similarity between the two approaches, the conventional management control process and the Islamic alternative, nevertheless the spirit may differ. The following section presents the explanations to the above processes by Abo-Hebeish, (1995).

#### **A THE MESSAGE IS PRE-ESTABLISHED BY ALLAH**

Allah stated in al-Qur'an several times that this book (reference is made to the al-Qur'an) which has been sent down from the highest of authority (Allah), was revealed to the Prophet, and contains the only right path, which will ever exist, and will be protected and preserved by Allah



Himself. In terms of management controls, the rules must be pre-established while being mindful of Allah's will, by the top authority of an organisation, the board of directors, the president of the company, or other managers in command.

The *Qur'an* further establishes an authority for the Prophet (saw) to supplement the rules established by the *Qur'an*. The *Sunnah* is thus another source of Islamic regulation, supporting and explaining aspects in the *Qur'an*. The *Sunnah* is, therefore, a case study demonstrated by the Prophet who himself was from the fellow human beings.

## **B. ALLAH COMMANDS PROPHET HOW TO BEHAVE**

As several verses stated in the *Qur'an* Allah address the Prophet, His prime message, and the entire purpose behind the message, which is Glad tidings and a Reminder. By the same token, the company rules should clearly and adequately describe the expectations of the managers in regards to the performers.

Another lesson to be learned from Islam would be the following. In writing the company policy and procedures (rules in general terms), the ruler must first emphasize the rules and following that strongly discuss any benefits deriving from adhering to these established rules. This would thus be the lesson to learn from the above Islamic concept of Glad tidings and a Reminder.

## **C. PROPHET COMMUNICATED THE MESSAGE**

Allah stated in the *Qur'an* that He sent a messenger to the people of the same clan (the messenger's own people). They would thus receive the message from whom they are familiar with and have a great affection to. Several lessons are to be learned from this accordingly:

- 1) The Messenger originating from the same community, was familiar with the environment and knowledgeable in regards to prevalent social norms, values and conditions.



- 2) People liked (affection) the Messenger and cared for him. Similarly, the Messenger cared for the people, and was offended by the hostile reception of some people and their refusal to the message.
- 3) The message came down in the language of the Messenger. Consequently, his community would be able to read it, recite it, understand it, and comprehend it.

In contemporary business language, the business rules must be communicated to all levels of performers in their own terms and language. The rules must be in written form for the purpose of future references, and to enable the performers to understand the expectations of the top management. It should be noted in this regard that the expected performance is the basis for a performance evaluation to fix appropriate reward.

### **D. COMPLIANCE BY THE PEOPLE**

Allah will leave people at their own free will to follow or not to follow the predetermined Islamic rule in the form of a set standard. After a certain period of performance, Allah will hold every person responsible for his/her actions.

In the light of the above, the business performers are allowed adequate time to perform and produce. The results of their performance must be properly recorded. Given an adequate length of time, the top management will compare actual performance against the expected standard of performance and request explanation for any deviations.

### **E. REMEDIAL STEPS TAKEN BY PEOPLE**

As a remedial measure Allah gives opportunities in this world for *taubat* (asking forgiveness) to the people who deviated from Islam. By the same token and in regards to the above, employees can choose between two approaches: (1) to acknowledge their mistakes and for which to



seek forgiveness and, (2) to have the intention to refrain from repeating these mistakes in the future. As for the revising of the standard itself, due to it being perceived as very high or sublime in nature, the issue does not arise, and Allah says: "He does not burden human beings more than they can bear" (Surah Al- Baqarah). The standards set by man are, however, always subject to revision, due to human ignorance of the future, whereby, as in the view of Allah, matters are in a perfect state in times past and remains so in future.

### MANAGERIAL IMPLICATIONS

'Umar ibn Khattab (ra) the second Caliph of *Ummah*, used to say about the caning he received in childhood from his father for not being able to properly look after the family's camels during their grassing at his childhood. Same, 'Umar used to set clear standard criteria of expectations for his officials, enforce these criteria, evaluate their performance and promote or demote them as a reward of their performance. As reported by Jabnoun (1994), Umar ibn Khattab (ra) did not attend any management school for training, but his education, personal wisdom, and his company of the Prophet in specific, allowed him to master the art of management. 'Umar used to extensively define the roles of his commanders and his governors. He also made sure that they followed his general direction, while allowing them their individual operational freedom. 'Umar used to provide those among his appointees, who found their tasks difficult, extra resources in order for them to achieve their desired goals.

'Umar once asked his companions of their opinion should he appoint one whom he believed to be the best man among them and ordered him to do justice. Would 'Umar have done his share? They replied by saying "Yes." 'Umar retorted by saying "No," unless he could view the appointee actually conforming to the order!

The above case demonstrated that 'Umar had full knowledge of the control processes. 'Umar indicated that he would not have done his part by simply keeping a check on the performance of his appointee. This signifies that 'Umar's first task was to explain to the appointee what was expected of him. Then, he was to check whether the appointee



was committed to instructions. Umar's "checking" the performance of his appointees was carried out through certain programs, such as the annual Hajj conference, his personal visits, intelligence agents, and the agency of complaints, which received public complaints in regards to various officials and appointees. This check was also carried out informally through the *dawah* culture of the people, and which was based on forbidding, what is evil and enjoining, what is good (*Amar bil ma'ruf and nahi anil munkar*). In cases whereby the appointee did not carry out their duties appropriately, 'Umar did not hesitate to replace them, sometimes even punish them. As a matter of fact, 'Umar did not take such actions just to correct a wrongdoing; rather, he was very decisive in making any decision that could improve an already good management performance.

'Umar was committed to the idea of continuous improvement. The process of improvements was facilitated by the culture of advice, as Prophet Muhammad said: "*religion is advice*," and by the participative management programs established by 'Umar himself. It was also facilitated by the culture which emphasises quality, as Prophet Muhammad (SAW) said and reported by Al-Bayhaqi: Allah almighty wants that when one of you does a job, he/she does it well.

Based on the above discussion, the control process practiced by 'Umar can be summarised, as follows:

1. Setting of a standard.
2. The standards to be well clarified and communicated.
3. The necessary input should be provided. This input should include required resources and skills' training, as well as the required authority.
4. A continuous search for new approaches for the improvement of the performance should be carried out and its standards established. Such search would be carried out



through a favourable culture and the assistance of some specially designed programs. The culture should be that of commitment to aspects, such as quality, participation, and involvement. In this regard, modern organizations, for instance could include aspects such as quality circles, regular invitations of external consultants, training, research and development, and customer surveys.

5. Both the performance and the output are to be closely checked against the standards through an existing culture of commitment and involvement, and some specially designed activities, such as regular measurement, statistical quality control and customer surveys.
6. If the performance and/or the output of the employees do not conform to the standards, corrective actions must be taken.
7. If the performance conforms to the standards, the possibility of an increase in improvement of the performance is to be considered.
8. If there is an approach for the improvement of the process, the necessary corrective actions to implement it should be taken. These corrections should encompass the ongoing performance, the input, as well as the standards themselves. The standards are dynamic in this case, as a new method of improvement is found, they consistently change.

In order to hold people accountable, the latter must know what they are expected to do and to know their mission, objectives, and goals. Islam clearly defines the mission, objectives, and goals of Muslims and teaches them how to achieve these. *Allah* enables the Muslims to distinguish right from wrong and holds them accountable for their choices



(*Surah al-shams, 91:7-9*):

By the souls and the proportion and order given to it. And its enlightenment as to what is wrong and is right. Truly he succeeds that he purifies it. And he fails that corrupts it.

Allah would not punish the Muslims, if they were not knowledgeable, as to what they are expected to carry out (*Surah al-'Isra' 17:15*): Nor would We visit our Wrath until We had sent a messenger.

In this light, before they can hold them accountable, managers should ensure that the functions and roles of the subordinates are very well defined, and that the subordinates are sufficiently qualified and capable of assuming those functions. Further, such accountability can only be achieved through the control process by which the manager keep checks on his/her subordinates to ensure their work specified is carried out appropriately and as specified.

Upon confirmation that the work is not proceeding as planned, corrective action must then be taken. 'Umar understood and practiced the control process fourteen centuries ago. In fact, 'Umar is considered by many scholars as the founding father of modern administration. The above control process is a basis for management control from an Islamic perspective.

### SUMMARY

Controlling is the measuring and correcting of activities of subordinates to assure that events conform to plans. Without implementing a control system, managers would not have the knowledge as to whether their units and employees are performing properly. Therefore, planning and controlling go hand in hand. The practice of controlling puts into effect corrective measures, whereby any deviations or shortfalls are prevented from occurring.

Nowadays, controlling is exercised in every aspect of an organisation, be it the management performance as well as the activities



carried out at every stage right down to the shop floor. Effective controlling ensures that efforts produced at all levels commensurate with the requirements necessary to achieve the goals and objectives of the management and of the sectional functions throughout an organisation. A prerequisite of controlling is a standard with which performance can be compared. If there is no standard set, there would be no effective measures of performance. Standards for all levels of management and supervision must be set at the planning stage and that will reflect the required performance for each activity. Standards fall into two broad categories, quantity standards and quality standards. Once standards have been set, some mechanism must be devised. The installed device has to be activated for each activity, to keep a check on performance and compare it with the set standard.

Monitoring of performance is a vital part of the controlling process, as it would not be realistic to expect to be able to control an activity unless it is under constant monitoring. The manner in which the monitoring will be managed depends almost entirely on the activity to be controlled.

The control process is important for the prevention of unpleasant surprises. Any management control system follows these three steps: (1) setting a standard (2) comparing performance with the standard set, and (3) taking remedial measures. Controlling from the Islamic perspective is superior in that it minimizes the cost of the actual controlling activity. Muslims are given the freedom to remember Allah's presence at all times, and which would hold them from covering any mistakes.

### QUESTIONS

1. Explain and discuss the approaches of the activity of controlling.
2. What are the types and methods of controlling? Briefly discuss each type or method of controlling that you have knowledge about.
3. In what manner may one understand the process of controlling as well as its implications from the Islamic perspective?
4. Discuss the control process exercised during the time of Umar



- (ra) and how they are similar or dissimilar from conventional management?
5. Do you think that there is a need to develop tools for controlling from an Islamic perspective: why or why not?

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***PART 3***

**ISSUES IN CONTEMPORARY  
MANAGEMENT**







## CHAPTER 10

### MANAGING CHANGE AND CONFLICT

These topics and sub-topics have been indicated in the beginning of the chapter for the quick reference and easy access by the readers. Beside this chapter which also begins with an introduction and ends with a summary, relevant questions and references are given to the end. The chapter discusses the following topics.

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## INTRODUCTION

Life owes to change and change is a law of life. Change is a fact and reality of life and change that occurs sometimes leads to conflicts. The West is progressing fast as they want every worker to bring change in their work style on a regular basis and expect every individual to be creative, innovative and an initiator. This is the reason most inventions and progress in science and technology are associated with the West. On the other hand, our Islamic educational system and work culture encourages the continuation of the past prevalent system. This thesis does not imply that we should also think of suggesting changes in basic sources of Islam, viz. Qur'an and hadith. We have to adopt the Western or Far Eastern work culture to progress fast. Those who are waiting for the dust to settle are living in a world of fantasy. Change will continue with one difference it will happen more often, and it will take place in bigger increments. So, adapt or die like the dinosaur and try to revive sustainable Muslim civilisations. Allah does not help those who themselves are not willing to change. Contrary to this a successful *ijtihad* is rewarded twice but a failed attempt of *ijtihad* also carries a reward.

Changes in organisations that being about conflicts within and between groups are common. By conflict we mean a perceived difference between two or more parties resulting in mutual opposition and which may occur at three levels: between the individual (interpersonal), between the individual and the organisation, and between organisational groups.

In our age of dynamic change it is imperative that the manager understand the source of and various strategies for dealing with, conflict which inevitably occurs in any organisations. Typical of this conflict is the breakdown of communication between management and labor; between a commander and his troops; or between a secretary and her supervisor. Even more common, perhaps, is the overt and often hostile dysfunctional competition that erupts between work centres, peers, or social groups vying for scarce resources or attention.

So, what do we mean by "conflict"? The term is widely used to describe important differences between individual humans or groups of humans. If existing differences are not somehow adequately handled, the involved individuals or groups would be unable to come together in



understanding and cooperation. Traditionally, conflict was as perceived something negative; however, not all conflicts are bad. Differences which result in creativity are stimulating for those involved, and such conflicts are essential for progress.

### THE NATURE OF CONFLICT

Conflict can be functional or dysfunctional, and occasional or chronic.

- Conflict is functional when it improves the group's performance by forcing the examination of basic issues and identifying new opportunities.
- Conflict is dysfunctional when it hinders and prevents the group's goals from being achieved.
- Conflict is occasional when it is the exception, not the rule in the individual's or the group's behavior.
- Conflict is chronic when individuals or groups routinely differ in their approaches.

Overall, conflict that is dysfunctional and chronic is undesirable, whereas conflict that is functional and occasional is not only acceptable and normal, but functional and occasional conflicts are even desirable.

A healthy tension within a group, caused by conflict, is desirable for success. The companions of the Prophet (SAW) experienced functional and occasional conflicts. For example, upon the death of the Prophet (SAW), Umar (ra) insisted that the Messenger of Allah did not die, and threatened to punish those who said so, until Abu Bakr (ra) appeared on the scene and recited the verse of the Qur'an that began: "Muhammad is no more than a Messenger...." [3:144]

The companions differed on where to bury the Prophet (SAW). They had a conflict of opinions about who should be the successor of the Prophet, raising several questions, like: should the successor be from the Ansars or the Muhajireen; should it be one person or a group of persons, should he be given the same authority as the Prophet, as judge and leader, or less or different? Sayyidina Umar and Sayyidina Abu Bakr had conflicting opinions on the permissibility of fighting those who withheld *zakah*.



Now, conflict may sound like a strong word to some; they may prefer to use other words like “disagreement” or “difference of opinion.” Whatever word one chooses, the nature of the phenomenon remains the same. This book will use the word “conflict,” recognizing that some may disagree with it.

Chronic conflict occurs when individuals or organisations routinely differ in their approaches, expectations or views in matters that have an impact on the parties involved. These differences cause tensions and hard feelings and the intensity increases as the significance of the matters under consideration increases.

Thus, it necessitates a conflict resolution which cannot be done in isolation. Conflict has a context and this context must be understood by all concerned. A confrontational approach to conflict resolution forces people to take sides. If this occurs early in the conflict resolution process, the chances of arriving at an acceptable solution diminish greatly. To manage and possibly resolve a conflict, start by not taking sides. Keep an open mind. Encourage the other side to do the same.

Chronic conflicts are usually caused by poor management systems, not bad people. It is a situation that recurs time after time and often even when the parties to the conflict are no longer the same as before. A chronic conflict is a product of, for example, misunderstood instructions, mismatched objectives, misdirected communication, mishandled decisions. Individuals and groups in such situations become defensive even though they may themselves be victims of a poor system of policies and procedures that govern their interaction. Properly understood instructions, clearly matched objectives, well-directed communication, and correctly handled decision can create a system that minimizes conflict.

Occasional conflicts, as opposed to chronic conflicts, may require the leader or manager to focus on specific causes, often of personnel nature. However, new circumstances may produce new avenues for occasional conflicts. The right approach for dealing with such a situation is to create a culture of acceptance and mutual respect for one another within the bounds of right and wrong. An occasional conflict is an acceptable risk we take when we work together.



## INDIVIDUALISM AS CAUSE OF CONFLICT

Organisations and groups are made up of individual human beings. Each human has through life experiences developed a set of values and evolved a set of behavioural rules. These values and rules are sufficiently alike in a given society (more so in a given segment of a society) to allow justice, morals, and ethics to exist and create general agreement about what is right and what is wrong. However, the value-rule set for each individual is a unique set not fully shared by other humans. These differences in value-rule sets are most likely the basic causes of conflict.

Another cause of major conflict is the motivation of the separate individuals. Each is motivated by a peculiarly unique degree of satisfaction in a set of needs. It is quite likely that in a given group situation the individuals concerned will be aiming their personal efforts at slightly different objectives; such objectives may be similar enough to permit cooperative effort but sufficiently different to create conflict. Then, too, it is possible for all to be motivated to behave toward the same goal accomplishment but to feel that this goal, when attained, will not be great enough for all to share adequately in the reward. Conflict may then arise as each strives to attain his place in the sun.

A third major cause of conflict, and one more obvious to us, is the differing ideology and philosophic bases we possess. These relate to a great extent to the value-rule set but are sufficiently different to warrant recognition as possible conflict causes. What we use as a base for our ideals and our concepts becomes of great importance to us, and we do not want that base challenged or questioned by others. An example is the old-timer's reluctance to change from a thus far successful technique, even though evidence indicates that a change would be beneficial for the organisation they are working for.

## EFFECTS OF CONFLICT

Conflict has both positive and negative effects. It can be positive when it encourages creativity, new looks at old conditions, the clarification of points of view, and the development of human capabilities to handle interpersonal differences. All of us have experienced a surge of creativity



when we permit the ideas of others to trigger our imagination, as for example in a brainstorming session. Conflict can be negative when it creates resistance to change, establishes turmoil in the organisation, or interpersonal relations fosters distrust, builds a feeling of defeat, or widens the chasm of misunderstanding.

Unfortunately, the term “conflict” has only the connotation of “bad” for many people, so much so that they think principally in terms of suppression, giving little or no attention to its more positive side. One author emphasizes this by stating: “It seems entirely likely that many, if not most, organisations need more conflict, not less.” (Stephen P. Robbins, 1974) another states: “The absence of conflict may indicate autocracy, uniformity, stagnation, and mental fixity; the presence of conflict may be indicative of democracy, diversity, growth, and self-actualization” (Leonard Rico, 1964).

Conflict should be considered, conceptually, as neither bad nor good. The meaning of conflict is established by its participants since it is people who attach value definition to it. The ultimate results of a conflict situation are determined by the feelings, beliefs, and values of those persons involved. People are the real determinants of the meaning of conflict. If we forget this and treat conflict as though it had some natural quality (good/bad, right/wrong), we overlook the roles of the participants and probably lose the ultimate capability of stimulating conflict.

We are human, though, and it is almost impossible for us to divorce ourselves of feelings, beliefs and values. We create, or get involved in, conflict, and we possess predispositions as to how it ought to be addressed or handled. We tend to have a strong behavioural leaning, a set pattern, for our participation, and this emerges as a major factor in setting the nature of conflict. We can note this predisposition for a set pattern of behaviour in our tendency to want to apply equal penalties or identical punishment regardless of the cause of an infraction of rules.

We can say, then, that conflict is a state of unresolved difference between two individuals, an individual and a group, or two groups. The difference can be real or imaginary. Regardless, it is a difference and will cause some form of conflict if the involved parties are in contact



with each other. The conflict exists until the difference is resolved. The important aspect is how the individual accepts and responds to it; how he seeks to control or stimulate the dynamic conflict situation. In this age of specialisation and sophisticated technology, we can readily find power imbalances in organisations. This often results in conflict. In technically-oriented organisations (e.g., military, aviation, major communicative networks, and science-based units), the managers rarely are able to be experts in all the disciplines or specialties they control. These managers find themselves greatly dependent on technical experts who work for them. Differences arise because of differing knowledge bases and perceptions. Note the hard feelings and accompanying resentment we often experience when a boss, removed from the situation, ignores a piece of correspondence we have prepared. Unmanaged, these differences can have negative results. But this need not be if we carefully select mature and adaptable managers who can understand the high degree of informal (expert) authority held by subordinates who have technical competence.

### MANAGEMENT OF CHANGE AND CONFLICT

We must expect a change and conflict to occur in our organisations. We should be disappointed if it does not occur, because conflict exists only within the context of interdependence and this world is always interdependent. There can be no conflict when there is no awareness of another meaning, role, or value than our own. Thus, conflict is a relationship between segments of an interrelated system: persons, a group, an organisation, a community, a nation. There can be no conflict if those involved sense no differences. However, in the environment of interpersonal relationship, there will always be differences, and conflict will be the norm not the exception.

We need to manage conflict in order to obtain profitable returns from it. Managing conflict requires that we consider not only the required guidance and control to keep conflict at an acceptable, yet not too high, level but also the activity to encourage proper conflict when the level is too low. Who would want to lead an organisation without the energy and



force accompanying the conflict of creativity and initiative for a change?

Here are some realities that may help us (Muslims) become the master, not the slave.

- Avoid being judgemental. Keep an open mind on situations. Don't allow personal prejudices to cloud our vision. Don't rush to judgement. Listen so that we can be influenced by consensus rather than cloud our mind with rebuttals. Give other opinions the benefit of the doubt. Ask ourselves if our doubt is based on fact or on a personal bias.
- Keep on learning. One is never too old to learn. Don't wait for the classroom either. Learn from our past mistakes. Maintain an attitude of inquisitiveness. Find out everything there is to know from those willing to share. Read voraciously – books, magazines, the internet. Jot down key points of interest, and keep them in a file to review regularly.
- Look for the next trend. Trends and fads are not the same. Nor are they necessarily good or bad. The fact is that organisations, like people, follow trends. By observing and learning about trends, one can position himself as an “expert” and take a leadership role in making changes. This will give us greater control of the changes.
- Foster a large resource network. Continuously expand our sources of help and information. Keep in touch with people whose careers are taking off. Find out what they know and are doing that perhaps we are not. Subscribe to key magazines that stay on the leading edge. Look for key articles each month.
- Be a problem solver, not a problem creator. Anyone can spend their life identifying problems. There are more than enough to go around. Pointing these out can become tiresome to the people around us particularly if they respond with “it's not my job.” Be willing to identify solutions if there is a problem, and consider making time to solve it. This will earn Muslims the reputation as a “fixer” the kind of person chosen for high ends.



- Enjoy yourself. People work better when they are enjoying themselves. Plus, humour enables everyone to relax and open themselves to change.
- Keep a positive attitude. Every new situation can be looked at in one of two ways as a problem or an opportunity. Make each challenge an opportunity to test our intellect and resilience.

Show independence. Some people are dependent and others independent. Dependent people are pointing to others when they are challenged. They say, "It's not my responsibility." Independent people say, "I'll fix it." Be willing to step up to this should be place. No one ever learned to play the game from the bleachers.

An author makes a strong case for the need for a more realistic approach to managing a change and conflict with his "interactionist approach" (Robbins, 1974). He states that there are three basic managerial attitudes toward conflict which he identifies as traditional, behavioural, and interactionist.

1. The *traditionalist*, following our social teaching, believes that all conflicts are destructive and their management's role is to get their problems/solutions out of the organisation. The traditionalist, therefore, believes conflict should be eliminated.
2. The *behavioralist* seeks to rationalize the existence of conflict and accurately perceives conflict as inevitable in complex organisations or relationships. Thus, the behavioralist "accepts" it.
3. The *interactionist* views conflict as absolutely necessary, encourages opposition, defines management of conflict to include stimulation as well as resolution and considers the management of conflict as a major responsibility of all administrators. The interactionist view accepts and encourages conflict. This book believes in the interactionist approach.



## **THE PERSON AND THE ORGANISATION: A THEORETICAL APPROACH**

Conflicts occur when the needs and goals of the individual are not in harmony with the needs and goals of the organisation. Argyris (1957) in his discussion of man versus the organisation, indicates it highly conceivable that the traditional goals and structure of organisations may be in conflict with the needs and goal of a developing personality. This may be readily seen in the efficient and omnipotent bureaucracy that places emphasis on hierarchy, specialization of work, established norms of conduct, and explicit rules, often forgetting or overlooking the individual and his unique qualities. Traditionally, personal values tend to be hostile toward organisations, big government, big businesses, bureaucracy, and, in spite of its purely defensive posture in our country, the military. Again, conflict can arise when interdependency exists. Employees become dependent on organisations to give their lives direction and meaning. Such dependency allows them to escape the burdens of personal responsibility. Whereas we praise individualism in workers, the organisation often requires that the individual be treated impersonally. We see this in “distant” management, in which the people sense an absence of concern for their individuality and personal needs. Efficiency requirements of the organisation also act as sources of conflict because they regularly demand that the goals and needs of the organisation be given higher priority than the rights of the individual. We, therefore, yield to the proposition that conflict between the organisation and personal values is normal and a fact of life. Managers always seem to be torn between the two competing desires of doing what is best for the organisation or what is best for the individual. It is a tough spot to be in.

Managing this inherent conflict between individual needs and organisational needs demands a high degree of self-awareness on the part of the manager. What am I willing to do in the balancing of these needs? How much can I accommodate comfortably to the need satisfaction of other humans in my organisation? How much faith do I really have in the motivational drives of my subordinates? What really is my role in this unit? What can I do, or what will I allow myself to do, to



integrate the needs of the individual with the needs of the organisation? In this circumstance that now faces me, which is more important: the individual or the group? No one can pre-answer these questions, nor can anyone answer them effectively for another person. Yet, the active manager has to answer them as he strives to manage conflict.

A major influence on the manager's actions or decisions will be his basic concept or philosophy about the nature of man. Douglas McGregor (1960) presents a famous dissertation on this subject in his consideration of Theory 'X' and Theory 'Y.' Argyris (1957) develops, too, a number of managerial considerations. Abraham Maslow (1965) also offers a number of assumptions for the manager to adopt for an enlightened approach to the individual-organisation situation. Our evaluation of the research and literature leads us to reflect that potential individual-organisation conflict is heightened as management acts to reduce or constrain the individual's opportunity to decide. A person needs a growing control over his work environment, more opportunity to make decisions, more autonomy in order to become self-responsible. Yet, in our sophisticated society, the organisational trend is quite the opposite, and many people feel that management has decided, without notable exception, that the organisation in all instances has precedence and priority.

Never is the functioning organisation free of problems. The unresolved problem is a source of conflict because individuals are expected to solve the problem, but the organisation (management?) often does not permit mistakes, or errors, or the organisation often gives the individual a problem so huge it overwhelms him. Frustration and conflict naturally result. Unless the organisation is supportive to the individual's problem-solving efforts, such conflict continues and likely worsens. What is needed, as Harry Levinson (1968) indicates, is a supportive environment that gives the individual room to maneuver, freedom to make mistakes, set limits, and define expectations, plus respectful treatment of his ideas. In many of today's organisations such a supportive environment is contrary to developed functional relationship patterns. In far too many organisations, for example, mistakes are anathema, and more effort is expended in protective posterior armour than in productive and



progressive activity. Fear is prevalent, and the feeling of individual versus the organisation is magnified. Many people in military organisations experience this as they find they must guard against inspection visits, staff visits, and the like, at the expense of a ready solution to an immediate problem. In some instances, they follow the book, even knowing it to be in error in a given situation, because they cannot anticipate support for an innovative action.

Another author mentions that this disturbance created by the incongruity of the man's and organisation's needs tends to increase as the individual and the organisation mature and/or as dependence, subordination, and passivity increase. (Chris Argyris, 1957) This increase occurs as management controls are increased, as directive leadership increases, as one goes down the chain of command, as human relations programs are undertaken but improperly implemented, as jobs become more specialized. The manager must choose to face it or retreat.

An additional source of individual versus organisation conflict is generated by the "new man" versus the "old man." The innovator is always in a less supportive environment than the entrenched old hand. Interpersonal conflicts of the old and new vary in intensity in relation to the ability of the manager to deal with such conflicts and his personal desire benefits from innovative ideas. But the new is not always right, and we must rationally evaluate these old versus new arguments. Frederick Herzberg (1974) speaks this point in his recommendation for management's referral use of "the wise old Turk," a valuable source of information already on the payroll.

### SOURCES OF CONFLICT

If a manager is to manage conflict, he must understand its source. We can establish three basic sources as *semantic*, *role* and *values*.

**Semantic:** sources are those stemming from some failure in communication. Traditionally, semantics has to do with the meaning of words, but here that is just one phase of its role. We use *semantics* to point out a major source of conflict as the failure of two individuals to



share fully the meaning of a communicative attempt. The causes for the failure may be technical problems in the communication process (static, filters, barriers, and the like), or they may be actual differences in perception and understanding. The result is an absence of agreement: conflict.

**Role:** sources are those that rise out of the varying perceptions of people about the expected behaviors of themselves and others. Many of these come from the status and position levels in organisations. Others come from the structures and processes devised by management to organise work, channel effort, and coordinate activity. Role conflicts are probably no more frequent or rarer than semantic or value conflicts. They might, indeed, be so closely related as to be absorbed in those two sources. Role sources may be evidenced in those situations in which boss and subordinate seem to be butting heads because each perceives the role of the other in a reference frame different from observable behaviour.

**Value:** sources have their foundations in the individualistic value sets of people. These value sets readily contribute to differences between people because *they are different*. They cause each of us at times to respond or behave in an unexpected manner because we are behaving as dictated by a value set not fully shared by our associates; hence, a sense on their part of a difference between us. An example may be the conflicting values held by the Air Force people as to what constitutes acceptable hair length. One side demands compliance with a published standard while the other demands to know why longer hair must mean degraded performance. Managing value conflicts requires a psychological awareness and a capacity for adapting which permits situational-based activity of the manager. What is effective in one value conflict situation may not be in the next.

Three basic sources of conflict have been mentioned, but we must admit that such separation is probably valid only for the meticulous person in research or academe or for the person attempting a serious study of the phenomenon. In the reality of the manager's world, source



separation is of little immediate value although it should be of significant help to control conflict. Most conflicts are really a combination of elements from more than one of the sources. Many people cite their belief that the prime cause of conflict is communicative inadequacy. Therefore, how can we establish that a communicative failure does not truly evolve from the differing value sets involved or from the varying vantage points of those performing in different roles? The much-discussed generation gap, in the military as well as in general society, most likely is a reflection of both communicative failure and differing value sets. We cannot, with comfort, say that the three sources are independent. Each affects the others to some degree.

### INDIVIDUAL REACTIONS TO CONFLICT

Since conflict may be positively or negatively evaluated, there may be a range of reactions to it. These reactions might go from high expectation and pleasure to absolute rejection. In a very broad sense, the individual in a conflict situation has only two options open: sign up or ship out. But the choice is too dramatic, and it is rare when the situational factors permit only this form of response. Usually, there is a pad of acceptance which insulates the individual from absolute or harsh decisions. Massie and Douglas identify this as the zone of indifference. As a normally event, the individual constantly checks to see whether his personal goals are consistent with the goals of the social groups to which he belongs. He continues to function in groups which generally support his goals even though there might be day-to-day conflicts between them. This, then, is the zone of indifference and the means of accommodation which we all use in our normal functioning in society. The incongruity of the individual's and the group's goals is not sufficient to cause his voluntary severing off the relationship. A high zone of indifference permits loyalty to a group in spite of many differences between personal and group goals. This is our norm because it is rare when we agree fully with our group; even in the family group, perhaps our closest association, we have frequent though minor disagreements as to the goals. A narrow or low zone of indifference offers little such tolerance. In conflict events,



the person with a low zone of indifference may opt to ship out.

Rejection of the conflict situation may result in shipping out, resignation which may be temporary or permanent. The response might be as mild as taking a few days of respite, thus the therapeutic value of leave, vacation and recreation: Perhaps, in certain organisations, it would be a sabbatical or volunteering for special duty in a new environment. Then, too, it can be total severance with the goal of a fresh start in a different organisation. Or, it might be using the personnel system to find a clean start through internal transfer to another sub element of the organisation.

Acceptance of the conflict situation might be manifested in a surge of initiatives, a flow of creativity, or a push for productivity. These efforts might result from stimulation of perceived differences, or they might be the observable behaviour representing a strong desire for promotion and, thus, escape from the conflict. The net effect may well be good for both the organisation and the person.

There is also the individual who reacts to conflict by avoidance. He may choose to be a lamb that hides his needs and saves them for an opportune time when he has a definite advantage over his opponent. He may choose the silent treatment with the idea that it takes two to fight. The opposite is the individual who chooses to meet conflict head on. The lamb-like approach is thought to be the more dangerous. All too often, in the final analysis, the lamb becomes the lion. As soon as the opponent falls or is in critical need of help, he gets pounced on and destroyed by the tension and aggression building up for so long within the lamb. Thus, the lamb-like approach may in reality be the dangerous hidden bomb for the group.

A host of other forms of reaction might be described. One is resignation on the job in which the individual comes to work but with apathy, reduced loyalty, and decreased involvement. We probably all know such a person. We refer to them as retired on active duty (ROAD) and find them in the civilian as well as the government worlds. Another might be rationalisation or the creation of a wall of reasons for his situation, none of which assigns any responsibility to him. Finding a scapegoat,



projection of his feeling on others, is also common. This is seen in the blaming of others as a justification for own failures or inadequacies. This is experienced in the base level activities, for instance, when we sometimes hear the work group says, "We could have ... if only ... had done its job!" Yet, another might be fantasising of escapes through daydreaming or mind wandering. Other forms might be aggressiveness, regression to less mature forms of behaviour, or on-the-job indifference in which he literally says, "To hell with this outfit!" How many people are there, we wonder, who feel that work is just something you get paid for, not something in which you find pleasure and fulfillment? Could this be a result of conflict management?

### **RESOLUTION OR REDUCTION OF CONFLICTS**

Basic to other considerations in dealing with conflict, it is well to note that conflict resolution requires that the parties in conflict trust each other and that the parties in conflict are capable of and willing to locate the source of the conflict. Second, a man convinced against his will is not convinced (Paul B. Ryan, 1976), thus, we can generally eliminate the archaic, although often-used, hammer on the head method. Putting the lid on conflict does nothing about eliminating its source.

We might, in a conflict situation, do nothing about it. What would be the results if we decided to take no action to deal with a conflict that has been discovered to be bad for the organisation (with deference to the proposition that not all conflicts are bad)? If an individual or group remains in conflict, there will be increased tension that sooner or later will result in one striving to win and drive the loser out of the situation. Or, even worse, the losing element will become increasingly more aggressive or hostile, and counterattacking the element will only frustrate it.

At any rate, the result is likely to be dysfunctional. So, the decision to do nothing is probably not the best. However, the manager on the scene must make this determination. He must understand that there are times when the decision to do nothing may be best. This can only be a decision function of the contingencies of the situation, a decision which



can only be made by someone in the situation evaluating the forces and strengths involved.

An often-used method for resolving conflict is the use of superordinate goals. For example, the entire work force, taken as a whole, is something of a superordinate goal uniting conflicting groups beneath that umbrella. The manager gets the groups to see how the conflict serves to reduce productivity, thus reducing the smaller group's stake in the benefits of the major organisation's success. Even though the source of conflict is not thus treated, it is an important first step because it sets the stage for compromise. This approach is similar to the common enemy approach, wherein groups in competition find unity viewing an outside group as a common enemy. This unity can hide or reduce conflicts within the group.

A unique method to resolve conflict is to increase interaction between conflicting groups by physically exchanging persons between conflicting groups. For example, if the Alpha unit is having difficulty dealing with the Beta unit, a temporary shifting of people between these groups could help the conflicting elements learn the other's problems and frames of reference. The result should be better communications, greater understanding, and less future conflicts.

The quickest resolution is a confrontation meeting. The manager should be warned, however, that confrontation requires complete preparedness on his part. He must have the facts of the conflict situation and confidence in his self-control and his ability to use diplomacy, tact and problem solving. Even then, he must also accept the possibility that a confrontation may worsen, not improve, the situation. Basic to his efforts to resolve or reduce the conflict is the idea of avoiding win-lose situations. Sports and other recreational activities often acquire their flavour by win-lose situations, but the same win-lose options are not always desirable in organisational functions. Far too often, in organisations, this results in sub-optimization. A sub-element may become so involved in winning that it loses sight of the overall mission of the larger unit it serves, and its efforts become counterproductive. Most complex organisations have reward systems based upon collaborative efforts. The organisation that



depends upon coordinative, cooperative work may be mortally wounded if its sub-elements acquire win-lose attitudes which cause these sub-optimizing activities. Once the stage is set by the manager, he may initiate negotiation by representatives of the conflicting groups. During this negotiation, the manager may wish to use an impartial judge or arbitrator to listen to arguments from both sides and seek to find points of possible agreement or compromise. Of course, we recognise this as the usual last resort in management-labor difficulties and severe conflict situations.

There are situations in which the manager must seek to repress conflict. This is especially true when the differences between the conflicting elements are not relevant to the organisational task. This occurs when two participating people have off-the-job differences which they permit to enter the world of work. Normally, this type of conflict is bad for the organisation. Often these differences are petty and self-serving, thereby causing activity in which the participants try to win to preserve the sanctity of their original stand. A significant aid to the manager in this form of conflict is a well-developed understanding of the human perception, the process by which we handle stimuli in accordance with our values, rules, wishes and fears. With this understanding, the manager might be able to explain to the conflicting parties how they are misreading the situational data. He might then obtain an agreement of a sort that would cause the conflict to be repressed.

### HOW CONFLICT STIMULATES

All conflicts are not necessarily bad. Therefore, there will be times when a manager would want conflicts (of the right types), and it would be advantageous for him to know some means of stimulation. In a number of instances, he could strive to create the situations he earlier worked to eliminate. For example, he might create win-lose situations in which a form of competitiveness might be engendered. This often works in such areas as selling an idea, recognising the creation of new approaches to organisational success, etcetera. A means to do this is to de-emphasize the need for everyone to contribute to overall organisational success. That is, the manager begins to emphasize the accomplishments or



performance of individual people, or separate units, in lieu of stressing the performance of the whole. He must be cautious, though, to avoid creating a monster that becomes an even greater problem than the absence of productive conflicts.

Individuals are the creative segments of society. True, the synergism of two more individuals often makes us think of organisational creativity, but it really is the individual who creates. Therefore, the stimulation of creative conflict can be obtained by increasing the autonomy of individuals on their jobs. A less demanding imposed structure, granting more freedom for the individual to choose and decide for himself, usually creates an environment in which the creative nature is fanned to flame. Similarly, a decrease in supervisory overhead (a widening of the organisation) can accomplish this result. Again, the manager must be cautious and remain in control of the situation lest it gets out of hand. It is sometimes easy to forget the real goals of the organisation as we get enmeshed in the thrill of innovation.

Another means of stimulation is to de-clarify goals, that is, redefine them in such a manner as to create questions and discussion. The cautions already stated apply, but this device can serve many useful purposes. A principal gain can be the encouragement of challenge and question for all operating segments, policies, and procedures of the organisation. When people begin to question what they are doing, how they are doing it, or why they are doing it, new ideas and approaches begin to surface. Therefore, encourage questioning and challenge the existing as a method of stimulating desired differences of thought. The "rebel," the individual, who does not blindly accept what already exists, can be such a stimulant. He or she can be discomfiting, but energising, as each asks those questions that the old hands and the managers cannot readily answer with convincing logic. A planted rebel can be a stimulating device if the organisational element in which he is placed is strong enough to handle the turbulence likely to follow.

Conflict is a state of unresolved differences between two entities, human or organisation. Sometimes the difference is functionally productive, as with creativity; but sometimes it is dysfunctional, as with



war or sabotage or less drastic results. Conflict should not, therefore, be naturally considered either bad or good. It will be bad or good depending upon the value base of the interpreter. But conflict of some form is inevitable whenever two or more humans are in some interdependent relationship. The important aspect of conflict is how the human participants relate and respond to it. Managers must control conflict, that is, they must keep dysfunctional conflict at an acceptable level, but they must also learn to stimulate functionally productive conflict when it is at too low level.

### THE DO'S AND DON'TS OF CONFLICT

#### Do's

1. Do assume that everybody is doing the best that he or she can do. Everybody is behaving in ways that make sense to himself or herself.
2. Do accept that most conflicts are the result of bad systems and not bad people.
3. Do allow that often conflicts arise when present systems do not allow people to get what they need from each other.

#### Don'ts

1. Do not assume that the "right" answer has already been discovered and is held by one of the parties involved in the conflict.
2. Do not assume that the truth of a particular position is related to the force or eloquence with which it is presented, the number of people who hold that position, the title of the person who espouses it, or other circumstances that are irrelevant to the merits of the position itself.
3. Do not go for "winning," "being right," and "having the answer," rather be willing to negotiate and seek alternatives.
4. Do not assume that people rather than systems are at fault.
5. Do not assume that others' positions or behaviours are unreasonable.



6. Do not assume that resolutions will necessarily create winners and losers.

## CONFLICTS AND RESOLUTIONS FROM THE EARLY DAYS OF ISLAMIC CIVILISATION

Conflict develops and grows in a certain way. We will examine two instances of conflict in the early Muslim history to observe the underlying pattern of conflict. The first incidence is the case of land distribution after the conquest of Iraq in the days of 'Umar (r.a.). The other incidence is that of the conflict between 'Ali (r.a.) and Mu'awiya (r.a.) regarding succession following the death of 'Uthman (r.a.).

### 1. **DISTRIBUTION OF LAND**

*A crisis emerges:* After Muslim armies had entered Iraq as victors, the responsibility to decide if and how to divide the conquered land fell on the *khalifah*, 'Umar ibn al-Khattab (r.a.). Opinions were divided on the issue and Muslims were in conflict with one another.

*The disagreement escalates:* On the one hand, the army commanders thought that the land should be divided and distributed. For example, a senior companion 'Abdur Rahman ibn 'Awf (r.a.) also favored distribution. 'Uthman (r.a.), 'Ali (r.a.) and 'Umar (r.a.) thought that the land should not be distributed but left with the original cultivators.

*Confrontation occupies the center of attention:* A general assembly was called. It included all the *Muhajireen*, and five representatives each from the *Aws* and *Khazraj* tribes.

*Crisis deepens:* The general assembly discussed the matter for several days. The crisis became prolonged and complicated. Further crises appears to loom ahead.

*The conflict is resolved:* 'Umar (r.a.) one day referred to the Qur'anic verse that concluded with the words "...those who come after them."



The assembly was convinced when 'Umar (r.a.) said: "How, then, can I distribute it amongst you and leave those who come afterwards without any share?" Thus, the conflict was resolved by resorting to an acceptable authority.

## 2. **SUCCESSION OF KHILAFAH**

***The crisis emerges:*** 'Uthman's (r.a.) assassination resulted in a deep division among people who demanded that the new *Khalifah*, 'Ali ibn Talib (r.a.) must punish the assassins and those who favoured the conciliatory approach of the *Khalifah*. Mu'awiya (r.a.) refused to accept the leadership of 'Ali (r.a.).

***The conflict escalates:*** 'Ali (r.a.) replaced, only with partial success, governors appointed by the previous *Khalifah*, while refusing to accede to the demands that the those who murdered 'Uthman (r.a.) be punished. On the other hand, Mu'awiya (r.a.) continued to seek the subjugation of tribes through persuasion or force, in defiance of the *Khalifah*.

***Confrontation occupies the center of attention:*** 'Ali (r.a.) sent a letter to Mu'awiya (r.a.) asking him to submit to his leadership, while Mu'awiya refused. The *Khalifah* sent an army to subdue him. The two armies faced each other for three months while concerned people on either side continued to attempt a settlement. A truce lasted an additional month before it broke out into an all out war. There was much bloodshed, but no victor. The two leaders continued to exhort their followers against the other.

***The crisis deepens:*** Finally, it was agreed that the matter of the appointment of the *Khalifah* be left to the decision of two referees, Abu Musa from 'Ali's (r.a.) side and 'Amr ibn al-'As (r.a.) from the other side. After six months, the referees met and after much discussion agreed to the solution that both the contenders be deposed and then people be allowed to choose whomever they wish to. After Abu Musa (r.a.) announced the withdrawal of 'Ali and Mu'awiya, 'Amr (r.a.) announced



that he has accepted 'Ali's withdrawal but confirmed Mu'awiya's claim to the *Khilafah*. The schism widened further.

**Conflict is resolved:** With no solution in sight, a group of Muslims decided that the struggle would end only with the assassination of 'Ali (r.a.), Mu'awiya (r.a.) and 'Amr (r.a.). They succeeded only in killing 'Ali (r.a.), enabling Mu'awiya (r.a.) to become the undisputed ruler. From a shortsighted point of view, the conflict was resolved by resorting to brute force. From a long-term perspective, the apparent resolution eventually led to a profound schism in the Muslim Ummah.

### THE S-A-L-A-M MODEL

The SALAM model points to a systematic way of approaching the conflict and moving towards a fair resolution, assuming of course that all parties to the conflict want to reach a fair conclusion.

S	A	L	A	M
stating the conflicting view	agreeing that a conflict exists	listening for and learning the difference	advising one another	Minimizing areas of disagreement that could lead to aggression or withdrawal.

The first letter S stands for stating the conflicting view. We should not assume that we already know what the nature or content of the conflict is. The conflict must be stated and all must know about it. The Qur'an advises us not to act on what we do not know.

In the Qur'an Allah says: "...and pursue not that of which you have no knowledge; for every act of hearing or of seeing or of (feeling in) the heart will be inquired into (on the Day of Reckoning)" [Surah Al-Isra, 17:36] According to the Qur'an again, "...but they have no



knowledge therein. They follow nothing but conjecture; and conjecture avails nothing against the truth" [Surah Al-Najm, 53:28].

Once what is in conflict is clearly stated-with or without agreement, it is possible to relate it to the conflicting parties' purposes. This will establish what is at stake and how critical is the disagreement. Some conflicts might be resolved just by stating the parameters of conflict clearly, because one party or the other might find that it can live with the situation without trying to change it. Therefore, S stands for stating the conflicting view.

The second letter A stands for agreeing that a conflict exists, again without making any judgement. At this stage, we must detach issues from personality. One way to do this is, when possible, let each side state the other side's position as fairly as it can. This enables them both to focus on issues, not persons.

The third letter L stands for listening for and learning the difference. Naturally, this is the tough part. Most of the time, we listen not to learn but to respond when our turn comes. Here we must turn to the essence of the Islamic principles of *shura*, by focusing on the issues. The two parties should move to a higher level by consulting with one another on how to attack the problem between them. Through this exercise of *shura*, they direct their mutual resources of creativity, experience, wisdom, etcetera. to attack the problem, not one another.

As far as *shura* is concerned, there is probably no other Islamic concept that is talked about as much as and practiced as little as *shura*. Therefore, I will not spend more time discussing what *shura* is. However, within the context of avoiding conflict, one must stress the proactive nature of *shura*. When the Prophet received the news about Abu Sufyan's caravan before the Battle of Badr, he consulted with the members of his expedition. Sayiddina Abu Bakr (r.a.) and Sayyidina Umar (r.a.) spoke and then al Miqdad ibn 'Amr (r.a.) spoke, and then there was a long silence. The Prophet (saw) asked for advice. It seemed he was anxious to hear Ansar's view because he had made a pledge with al 'Aqabah.

Then, Sa'd ibn Mua'dh, their leader, addressed the Prophet (saw) asking the Prophet (saw) if he was seeking to hear their views, and the



Prophet (saw) confirmed that indeed he was. This anecdote stresses the proactive nature of *shura*, the idea that one has to invite and seek *shura*, not simply engage in it because it is forced by circumstances.

Of course at this stage, we must examine the guidelines of Shari'ah with respect to the issues at hand. This should also be a mutual effort, to make the Shari'ah in a sense an unbiased arbitrator.

The fourth letter A stand for advising one another. This is a stage where compromises begin to take shape. We advise one another in the Islamic manner of *nasiha*, recognising that the advisor is not always right. Two things are important here.

First: we move to a common ground by proposing an action that meets the principal needs of the other party while enabling us to reach our goals.

Second: we offer to help carry out whatever is agreed upon. Again, we are talking about a pro-active mode of behavior. It requires a continual monitoring of actions and prompt evaluative response to them.

We all know the very famous hadith of the Prophet (saw) related by Muslim on the authority of Abu Ruqayya Tamim ibn Aus ad-Dari (r.a.): "The Prophet (saw) said: 'Religion is good advice.' We said: 'To whom?' He said: 'To Allah and His Book, and His Messenger, and to the leaders of the Muslims and their common folk.'"

We see that the Prophet (saw) extended the principle of *nasiha* to every one from top to bottom, from the leaders to the common folks. Thus the giving or receiving of *nasiha* is not restricted to one group or the other but is a general operational principle, especially when we study this hadith with the other famous one: "A believer is a mirror to his brother."

The last letter M stands for minimising areas of disagreement that could lead to aggression or withdrawal. We do not want the other party to become an aggressor because they did not get what they wanted. In most situations, we also do not want the other party to withdraw from us. In most situations, this will only be a short-lived resolution of the



conflict, until the other party feels strong enough to challenge the resolution.

Therefore, we want to seek agreement in as many aspects of the conflict as possible, minimising those aspects in which either party has to yield its position. We recognise that conflicts are unavoidable, and that it is even desirable to have functional and occasional conflicts. When two people always agree with one another, one of them is redundant.

### THE S-N-T FORMULA

**The S-N-T Formula:** There are ways to keep conflict functional and occasional, and avoid the emergence of dysfunctional and chronic conflicts. This can be achieved by adopting a mode of behavior that I call the S-N-T formula.

S = Shura (Consultation)	N = Naseeha (Advice)	T = Ta'wun (Cooperation)
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As far as *shura* is concerned, we have already discussed it above. However, within the context of avoiding conflict, one must stress the proactive nature of *shura*, the idea that one has to invite and seek *shura*, not simply engage in it because it is forced by circumstances. The case of decision making before the Battle of Badr quoted earlier is illustrative of this point.

If we consult others in a proactive way, seeking *shura* before crises emerge, differing points of view are brought into focus well before positions harden, and those consulted are likely to be supportive and accommodating even if things do not go their way entirely.

*Nasiha* is the second element in the S-N-T formula. Again, we are talking about a proactive mode of behavior. It requires a continual monitoring of actions and prompt evaluative response to them.

We have seen that in the famous hadith "Religion is advice." the Prophet (saw) extended the principle of *nasiha* to every one from top to



bottom, from the leaders to the common folks, as exemplified in the two hadiths quoted earlier. *Nasîha* is not a passive mode of behavior. It requires an active monitoring of actions and prompt evaluative response to them. It calls for action on the hadith of the Prophet (saw) "A believer is a mirror to his brother."

Like consultation, giving and receiving advice is also a prophetic tradition. The Qur'an attributes this quality of character to many prophets' including Shuayb (AS), Yunus (AS), Hud (AS) and Prophet Muhammad (SAW) himself. When parties that could be in a conflict engage in a give and take of sincere advice as a normal mode of inter-personal and inter-group behavior, the potential of conflict is minimised. This happens because the parties involved are able to correct one another's views and action before they become a source of conflict.

The third element of the S-N-T formula is *Ta'awun*, that is cooperation. The Qur'an advises Muslims to cooperate with one another. Thus the Muslim way of doing things should be in cooperation, but within the envelope which the Qur'an defines by saying: "Cooperate with one another in goodness and piety; and do not cooperate with one another in sin and transgression." This attitude of practicing *ta'awun* in a discrete way forces one to come to grips with what is goodness and piety and what is sin and transgression. Coming to grips with issues in a proactive way leads to a reduced incidence of conflict that could be dysfunctional or chronic.

Thus, if one were to adopt the S-N-T formula, that is *shura*, *nasîha* and *ta'awun*, as a mode of inter-personal or inter-group and intra-group behavior, one's effort will be less diminished by avoiding conflicts.

## SUMMARY

Life owes to change and change is a law of life. Change is a fact and reality of life and change sometimes takes place and conflicts are likely to arise in any organisation. Conflict between groups is inevitable in organisations, and it may be positive and negative, depending on the impact on organisational goal attainment. Functional conflict enhances and



benefits organisational performances, while dysfunctional conflict hinders the achievement of organisational goals. While most managers try to eliminate conflicts, evidence indicates that an optimal level of conflict can benefit organisational performances.

Show independence. Some people are dependent and others independent. Dependent people point to others when they are challenged. They say, "It's not my responsibility." Independent people say, "I'll fix it." Be willing to step up to the plate.

Islam provides tools and techniques for resolving conflicts encompassing from individual to organisation and other host of issues. It is simply a matter of human nature. But the most important part of Islamic resolve is its emphasis on rationalising its resolution. The SALAM model and other approaches are the ways through which we can think of resolving it. Islamic history and civilisation provides enough guidance for managers today to resolve organisational conflicts and remain adherent to Islam and the *shari'ah*.

### QUESTIONS

1. Is change necessary for sustenance and survival? If so, revival of *Ijtihad* must be introduced but who qualifies to be a real Mujtahid?
2. Does change create organisational conflict between individuals and individual and organisation? Discuss the strategies Muslim managers can use to overcome conflict situations in organisations?
3. There are many reasons and causes of conflicts, how in your opinion a conflict can become dysfunctional?
4. When is a conflict not healthy? What is your suggestion in handling such types of organisational conflicts?
5. How can the SALAM model, an Islamic approach to managing and resolving conflict, help managers of contemporary organisation to rationalise it?
6. "Life owes to change and change is a law of life." Discuss this statement.



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## *Chapter 11*

# **ISLAMIC BUSINESS ETHICS**

Topics and sub-topics have been indicated in the beginning of this chapter for the quick reference and easy access by the readers. This chapter which also begins with an introduction and ends with summary includes relevant questions and references at the end. The chapter discusses the following topics.

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## INTRODUCTION

Islamic perspectives to the issue of ethics, values and morality have finality to them as they are based on Allah's message sent through the last messenger, the Prophet Muhammad (SAW). Islam, as a religion, offers a complete and universal and eternal code of ethics for humanity. In today's organisations, ethics and values are the basis for social responsibility. The nature of ethics, in general, refers to a systematic attempt, through which we use reason to make sense of our individual, social and moral experiences to determine the role that govern human conduct and the values worth pursuing in life (DeGeorge, 1986). It is a model of behaviour that should be followed in order to harmonize human relationship and minimize abuse and work for the welfare of society (Hanafi & Sallam, 1995).

Sometimes, ethics is used synonymously with morality. Moral action or behaviour is called an ethical action, and codes of morality are ethical codes (Hanafi & Sallam, 1995). According to Beekun (1997), the Islamic ethical system differs from secular ethical systems and from the moral code advocated by other religions. Secular models assumed moral codes that were transient and myopic. Unlike other religion, Islam has a code that is neither timebound nor biased by human whims. This code of ethics is enforceable at all times because it's Creator and Monitor (Allah) is closer to man than his jugular vein, and has perfect eternal knowledge.

Morality, on the other hand, is a normative action and a model that is to be followed in our behavior. Normative ethics attempt to supply and to justify a coherent moral system. It provides basic moral values on a moral system. Such a moral system provides rules that govern individual behaviour by defining those actions as wrong or right (Hanafi & Sallam, 1995).

In Islam, the most closest term to moral and ethics is *Husnul Khuluq*. The Qur'an also uses a whole array of terms to describe the concept of goodness. Ethics in Islam is a genuine and intrinsic part of every act a Muslim does.

Hassan (1995) believes that the concept of ethics in Islam is not utilitarian and relative; rather, its principles are eternal and absolute. Islam



considers ethics as an off-shoot of *iman* (a Muslim belief system), and it emerges from the Islamic worldview of human life. Accordingly, a human life begins earlier than its arrival in this world and extends beyond its departure from this world.

The Islamic view of human life and management of human resources in any organisation, whether business, social or cultural, has different implications which are comparatively more comprehensive, useful and practical. Therefore, ethical notions assume a broader and more holistic significance to Muslim workers, managers and leaders (Ahmad, 1997).

The Islamic understanding of upward mobility in an organisation is more comprehensive than the simple upliftment as subscribed to by Abraham Maslow's hierarchy of human needs (Robbins, 1991). However, in Islam, a worker's motivation for work and excellent service is derived not only from the notion of self-fulfillment, upward mobility, upliftment of the material standards of living or service to the nation, but more fundamentally, from the belief that, as a holder of *amānah* (or Trustee of Allah) on earth (Hassan, 1995):

- (a) he must search industriously for the bounties Allah (SWT) has provided for his sustenance, either in the form of natural resources to be explored or new processes to utilize available resources.
- (b) his work is a form of '*amal sālih* (virtuous deed) which is the key to the attainment of *falah* (true success) in this world and well-being in the hereafter.
- (c) his work is also a form of '*Ibadah* (worship/prayer) in the broader sense of the word, in so far as it is in conformity with the divined norms and ethics.

### THE UNIQUENESS OF ISLAMIC ETHICS

Many authors (e.g., Naqvi, Ahmad, 1995; Beekun, 1997; Khalifa, 2001) have highlighted earlier the uniqueness of Islamic ethics. According to Naqvi (in Khalifa, 2001), in Islam, ethics dominates economics and that



both the ends and the means of economic activities must be Islamically legitimate. The author developed a model for Islamic ethics based on four axioms. The four axioms are: Unity (*Tawhid*), Equilibrium (*'Adl*), Free Will (*Hurriyyah*) and Responsibility (*Mas'uliyah*). The model is well constructed and soundly founded.

In his book entitled "Towards an Islamic Foundation of Strategic Business Management," Khalifa (2001) suggested two axioms: Unity (*Tawheed*) and Steadfastness (*Istiquamah*). Khalifa (2001) supported his argument with verses from the Qur'an and Sunnah as follows:

Allah (s.w.t) says in the noble *Qur'an*: "*Verily those who say: 'Our Lord is Allah,' and remain firm on that path [steadfast], on them shall be no fear, nor shall they grieve*" (al-Ahqaf, 46:13).

Imam Muslim relates that a companion of the Prophet (sws) had come to him and asked: "O Messenger of Allah, tell me something about Islam, which I could not ask anyone about save you. He answered, 'Say: I believe in Allah,' and then be steadfast (in accordance with such a profession)."

According to Khalifa (2001), the two axioms, *Tawheed* and *Istiquamah*, cover both faith and intentions, actions and deeds, which constitute the realm of freedom, responsibility and accountability in Islam. *Tawheed*, as Muslim's *'Aqida*, comprises three elements: *Tawheed Rububiyyah* (Unity of Lordship), *'Tawheed Uluhiyyah* (Unity of Worship), and *'Tawheed Asma' wa Sifat* (Unity of the Names and Attributes of Allah).

*Tawhid Rububiyyah* entails *Taslim* (submission), which leads to *Tawakkul* followed by *Sabr*, equanimity and composure, or even *Riza*, (delight). *'Tawheed Uluhiyyah* compels *Ikhlās* (sincerity), which means seeking the pleasures of Allah in every act and intention. *Tawheed Asma wa Sifat* necessitates *Taqwa* (piety), which leads to *Birr* (kindness and benefaction).

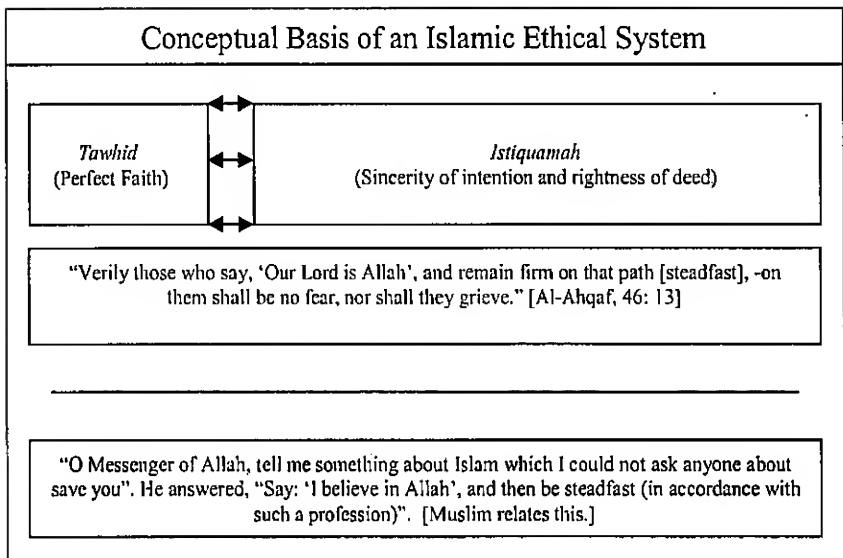
Khalifa (2001) believes that the abovementioned attributes and qualities need to be nourished and sustained. Sustainability is hard to achieve, and that is why, *Dhikr* (remembrance of Allah) is highly recommended. *'Istiquamah*, (the Sustainability of the right intentions) and



deeds, is the real challenge of reflecting and manifesting *Iman* (faith) in one's life. *Tawheed* and *Istiquamah*, then, are the two basic constituents of Khalifa's model of an Islamic ethical system.

Khalifa concludes that sincerity to Allah is the result of the real *Tawheed*. One strong demonstration of this quality is *Zuhd*. *Zuhd* is for the Muslim to be a master of himself, controlling and not being enslaved by his desires and wants. *Zuhd* means that *Dunia* should be in line with *Akhirah*. It means that the Muslim should not seek *Dunia* by his intentions, deeds and endeavours but his ultimate end should be the home in the Hereafter. It means that wealth and all economic activities are only the means to that ultimate end, that is, attaining *Falah* by adhering to the Islamic injunctions and ethics. *Tawheed* and *Istiquamah* are the ways to *Falah*.

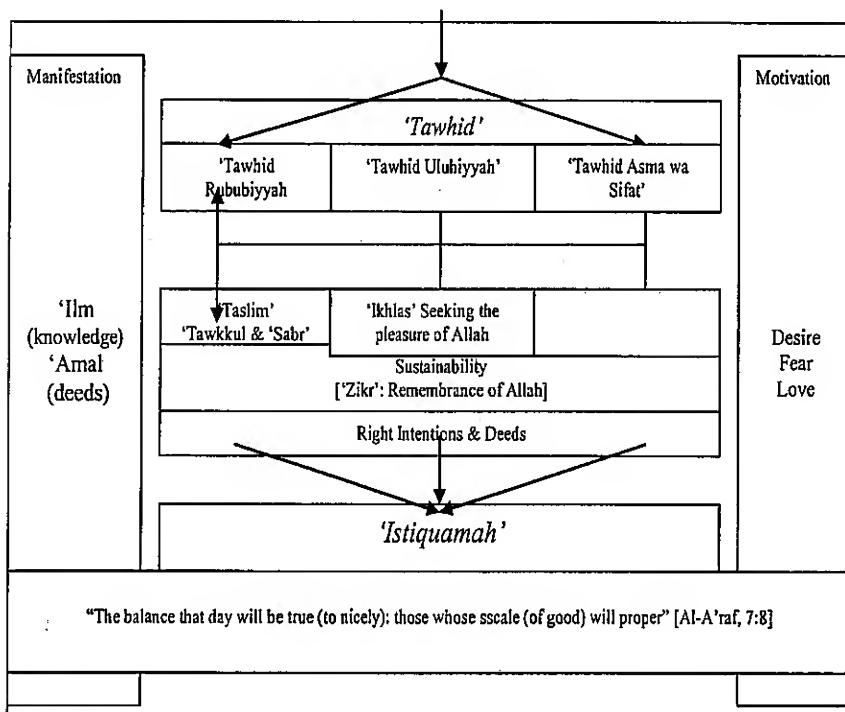
**Figure 11.1: Khalifa's Model of Islamic Ethics**



Source: Khalifa, 2001:14



**Figure 11.2: Elaborated Conceptual Basis of an Islamic Ethical System**



Source: Khalifa 2001: 14

## PRINCIPLES OF ISLAMIC BUSINESS ETHICS

Hanafy and Sallam (1995) classified ethical principles of Islam into six categories: truthfulness, trust, sincerity, brotherhood, science and knowledge and justice.

**TRUTHFULNESS** — Truthfulness is a basic ethical value of Islam. Islam is, in a way, the other name of truth. Allah speaks the truth, He commands that all Muslims to be straight forward and truthful in their dealings and utterances (33:70). Islam strongly condemns falsehood and deceits in any form.



This value has profound implications for the conduct of business. A businessman has to be honest, truthful and straightforward in all of his business dealings. There is no scope for cheating, telling lies, swearing too much, and providing false advertising in the Islamic framework of business. However, it is pertinent to note that in Islam the principles of truthfulness and honesty are not to be followed as matters of policy or business strategy, which is the Western approach. Rather, truthfulness and honesty are the obligations of a true Muslims faith in Allah (*Imaan*).

**TRUST** — Trust is another fundamental ethical principle of Islam. The essence of the trust is the sense of accountability: the sense of having to appear before Allah and to account for one's action. According to Islam, human life and all its resources are a trust reposed by Allah in man. Islam directs its followers to be conscious of this trust in every aspect of life. A business concern is also a trust between the society and the individual, and trust is from Allah. All resources of business should be treated as a divine trust by the businessman. Hence, he should make the most efficient and socially desirable use of his business resources. His business activities should in no case harm or damage the society or the environment.

**SINCERITY** — Islam attaches great importance to the sincerity of intentions and actions in every walk of life. The performance of duties, to perfection, requires that individuals work with sincerity and devotion. Such ethical code results in more efficiency as well as a high rate of productivity. Sincerity also discourages manipulation or exploitation of others for personal reasons. Accordingly, a sincere businessman is not expected to cheat or harm others deliberately.

**BROTHERHOOD** — Islam declares that all human beings are brothers to each other. The distinctions of race, colour, tribe, caste and language are not valid criteria for judging the superiority of an individual or group. Everyone is entitled to an ethically right behavior irrespective of distinctions of caste, creed, race or territory. This has positive implications



for shaping the business man's attitude towards his employees, customers and the general public.

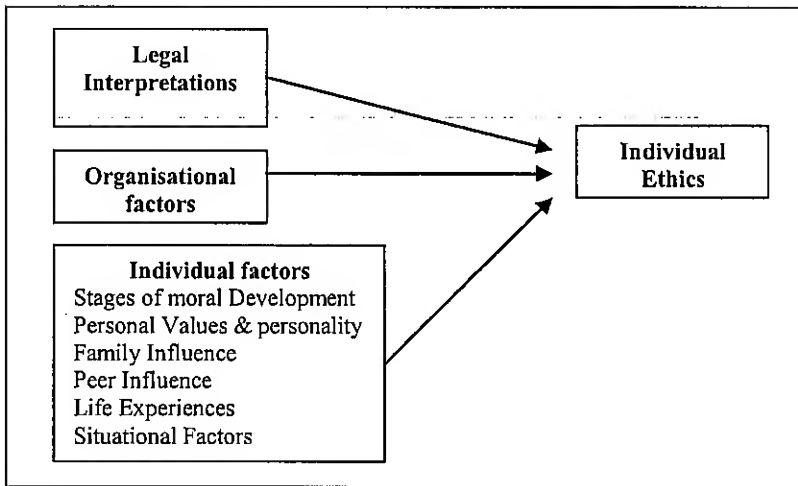
**SCIENCE AND KNOWLEDGE** — Islam makes it obligatory for Muslims to seek knowledge and obtain excellence in performance. Research and development is highly encouraged in Islam. Such concern about science and knowledge in the Islamic code of ethics has been highly fruitful for Islamic civilisation in the past. It encourages dynamism, fosters initiative and enjoins upon the believer to make a persistent struggle for his progress, both materially and spiritually. Such impetus is equally meaningful for economic activities as well and the pursuit of the ever expanding bounties of Allah are specifically recommended in the Qur'an.

**JUSTICE** — Justice is undoubtedly a prerequisite of business and trade as it encompasses the entire gamut of human life. The whole universe is based on the concept of justice and balance. Justice means that every one should be treated as he deserves, without any undue pressure or discrimination. It includes fair treatment, equality and a sense of proportion and balance. It is required in pricing, product quality, employee treatment, handling of environmental pollution and business decisions.

### **FACTORS AFFECTING ETHICAL BEHAVIOUR**

There are many factors that affect ethical behaviour. The factors include legal interpretations, organisational factors, and individual factors (personal values and personality, family influences, peer influences, life experiences and situational factors). Beekun (1997) explains these factors as followed:



**Figure 11.3: Determinants of Individual Ethics**

Source: Beekun, 1997:3

**LEGAL INTERPRETATIONS** — In secular societies, legal interpretations are based upon contemporary and often transient values and standards; in an Islamic society, these values and standards are guided by the Shari’ah and the collection of previous *fiqh* judgments. The result of these divergent approaches is amazing: at one time, it was legal and ethical in the United States to discriminate against women and minorities in hiring; now, affirmative action laws make it illegal to discriminate against these groups. If there is any difference al-Qur’an makes among human beings it is on the basis of *Taqwa*. By contrast, Islam has given women permanent and unalienable rights, and has never discriminated against minorities on any basis. For example, Abu Dharr reported that the Prophet (saw) said to him:

You are not better than people with red or black skins unless you excel them in piety.

Similarly, the Islamic ethical system does not endorse the *caveat emptor* concept that many Western courts have considered valid in



several shadowy cases. Thus, Anas ibn Malik reports the following hadith:

Allah's Messenger (SAW) forbade the sale of fruits till they are almost ripe. Anas was asked what is meant by "are almost ripe." He replied, "Till they become red." Allah's Messenger (SAW) further said, "If Allah spoiled the fruits, what right would one have to take the money of one's brother (i.e., other people)?" (Sahih al-Bukhari, 3.403)

**ORGANISATIONAL FACTORS** — The organisation too can influence participants' behavior. One of the key sources of organisational influence is the degree of commitment of the organisation's leader to ethical conduct. This commitment can be communicated through a code of ethics, policy statements, speeches, publications, etcetera.

Codes of ethics are gaining in popularity in many organisations, and often vary from one industry to another. Although such codes may enhance ethical behavior among organisational participants, their use is sometimes inappropriate. Some organisations may be trading in or selling in *khamr* or other *haram* products or services; hence, the conduct of the whole organisation is unethical. Developing and enforcing a code of ethics in this type of organisation is clearly erroneous since Allah Subhanahu wa ta'ala has said in the Qur'an:

"They ask you concerning wine and gambling. Say: In them is great sin, and some profit for men; but the sin is greater than the profit" (Qur'an, 2:219).

In general, organisations engaged in *halal* businesses can foster ethical behaviour through the development of an Islamic code of ethics.

**INDIVIDUAL FACTORS** — Individuals come to work with different values. Factors affecting one's ethical behaviour include: stages of moral development, personal and values moral, family influences, peer influences, and life experiences.



**STAGES OF MORAL DEVELOPMENT** — The Prophet (SAW) suggested that individuals undergo two stages of moral development: the minor or pre-pubescent stage and the adulthood stage. In a hadith narrated by 'A'ishah (rah), she narrated that:

The Apostle of Allah (SAW) said: "There are three (persons) whose actions are not recorded: a sleeper till he awakes, an idiot till he is restored to reason, and a boy till he reaches puberty" (Abū Dāwūd, 4384).

From the above hadith, two facts can be inferred. First, certain types of people are not responsible for their behavior: the sleeper, the insane and the child before puberty. Second, an individual is not responsible for his actions until the age of reason.

In addition to physical and mental development, Islamic scholars have suggested that there are three states or stages of the development of the human soul or *nafs* (Rizvi in Beekun, 1997): (1) *ammārah* (12:53), which is prone to evil, and, if not checked and controlled, will lead to perdition; (2) *lawwāmah*, (75:2), which feels the consciousness of evil, and resists it, asks for Allah's grace and pardon after repentance and tries to amend; it hopes to reach salvation; (3) *mutma'innah* (89:27), the highest stage of all, when the soul achieves a full rest and satisfaction after '*aql* (intellect) has checked the evil tendencies of man. If a Muslim persists in behaving unethically, he is succumbing to the *ammārah*; if he is behaving Islamically, he is fighting the evil impulses of the *ammārah*, and responding to the directions of the *lawwāmah*, and the *mutma'innah*. What will govern his ethical behavior and the interaction among these three states of the soul is his level of *taqwa* or piety. Depending on which level his *nafs* is at and whether he is winning or losing the battle against temptation and evil, he may be more or less prone towards behaving ethically.

**PERSONAL VALUES AND PERSONALITY** — An individual's values and morals will also influence his or her ethical standards. A person who stresses on honesty will behave very differently from another who does



not respect other people's property. Interestingly, in Islam, the decay and eventual disappearance of honesty is a sign of the imminence of the Day of Judgment. Abu Hurairah reports:

While the Prophet (SAW) was saying something in a gathering, a Bedouin came and asked him, "When would the Hour (Doomsday) take place?" Allah's Apostle (SAW) continued his talk, so some people said that Allah's Apostle (SAW) had heard the question, but did not like what that Bedouin had asked. Some of them said that Allah's Apostle (SAW) had not heard it. When the Prophet (SAW) finished his speech, he said, "Where is the questioner, who inquired about the Hour (Doomsday)?" The Bedouin said, "I am here, O Allah's Apostle (SAW)." Then the Prophet (SAW) said, "When honesty is lost, then wait for the Hour (Doomsday)." The Bedouin said, "How will that be lost?" The Prophet (SAW) said, "When the power or authority comes in the hands of unfit persons, then wait for the Hour (Doomsday)" (Sahih al-Bukhari, 1:56).

A key personality variable which may affect the ethical behavior of an individual is his locus of control. The locus of control of an individual affects the degree to which he perceives his behavior as influencing his life. An individual has an internal locus of control if he believes that he can control the events in his life. As a result, internals are likely to take responsibility for the outcomes of their behaviour. Conversely, an individual with an external locus of control believes that fate or luck or other people affect his life. Such an individual is likely to believe that external forces would cause him to behave either ethically or unethically. Overall, internals are more likely than externals to make ethical decisions, and are less willing to cave in to pressures to behave unethically, and will resist hurting others, even when ordered to do so by a superior (Lefcourt, 1982).

***FAMILY INFLUENCES*** — Individuals start to form ethical standards as children. The Prophet (saw) emphasized the importance of family nurturing when he said:



Command your children to pray when they become seven years old, and discipline them for it (prayer) when they become ten years old; and arrange their beds (to sleep) separately (Abū Dāwūd, 0495).

Here, the implication is that if you wish your children to grow up as good Muslims, you need to start shaping them from a young age. Children are likely to develop high ethical standards if they perceive other family members as consistently adhering to high standards. If they are rewarded for ethical behaviour but punished for being untruthful, stealing etcetera, mixed messages from parents are likely to result in unethical behaviour on the part of the child. An example of mixed messages is that of a child who is told that stealing is bad; at the same time, he is given supplies “taken” from the parents’ office at work.

**PEER INFLUENCES** — As children grow and are admitted to school, they are influenced by the peers with whom they interact daily. Thus, if friends engage in drawing graffiti, the child may imitate them. If the child’s peers avoid such behavior, the child is likely to behave accordingly.

**LIFE EXPERIENCES** — Whether positive or negative, key events affect the lives of individuals and determine their ethical beliefs and behavior. Malcolm X’s Hajj experience had a major impact on his later years as a Muslim (Haley, 1965).

**SITUATIONAL FACTORS** — People may behave unethically in certain situations because they may see no way out. For example, a manager may record fictitious sales in order to cover losses within his area of responsibility. According to Islam, debt is a major reason why individuals behave unethically. In a hadith narrated by ‘A’ishah (ra):

Somebody said to [the Prophet], “Why do you so frequently seek refuge with Allah from being in debt?” The Prophet (SAW) replied, “A person in debt tells lies whenever he speaks, and breaks promises whenever he makes (them)” (Sahih al-Bukhari, 1.795)



Since indebtedness is likely to lead to unethical conduct, Muslim lenders are encouraged to show leniency to debtors. At the same time, debtors are urged to repay debts promptly.

### SUMMARY

Islam, as a religion, offers a complete and universal and eternal code of ethics for humanity. In today's organizations, ethics and values are the basis for social responsibility. In Islam, the closest term to ethics is *Khuluq*. Ethics in Islam is a genuine and intrinsic part of every act a Muslim does. Islam considers ethics as an off-shoot of *iman* (a Muslim belief system), and it emerges from the Islamic worldview of human life. The Islamic view of human life and management of human resources in any organisation, whether business, social or cultural, has different implications, which are comparatively more comprehensive, useful and practical.

The six ethical principles of Islam are: truthfulness, trust, sincerity, brotherhood, science and knowledge, and justice. Truthfulness is a basic ethical value of Islam. This value has profound implications on the conduct of business. According to Islam, human life and all its resources are a trust reposed by Allah in man. A business concern is also a trust between the society and individual and the trust from Allah. Islam attaches great importance to the sincerity of intentions and actions in every aspect of life. Islam declares that all human beings are brothers to each other. Research and development is highly encouraged in Islam.

There are many factors that affect ethical behavior. The factors include legal interpretations, organisational factors and individual factors (personal values and personality, family influences, peer influences, life experiences and situational factors). An individual's values and morals will influence his or her ethical standards. A key personality variable which may affect the ethical behavior of an individual is his/her locus of control. The locus of control of an individual affects the degree to which he perceives his behaviour as influencing his life. Individuals start to form ethical standards as children. Children are likely to develop high ethical standards if they perceive other family members as consistently adhering to high standards and if they are rewarded for ethical behaviour



but punished for being untruthful, stealing etcetera. If the child's peers avoid such behavior, the child is likely to behave accordingly.

### QUESTIONS

1. Business ethics is not new; it has roots in culture and civilisation. Civilisational philosophies differ ranging from utilitarianism, egalitarianism, right, and many more views to social justice. Discuss and cite examples from various business practices adapted from East to West.
2. Discuss the uniqueness of Islamic ethics and compare its benefits.
3. What are the principles of Islamic Business ethics? Briefly, discuss each principle?
4. What are the factors affecting ethical behavior? Briefly, discuss each factor?
5. "Islamic perspectives to the issue of ethics, values, and morality have finality to them as they are based on Allah's message sent through the last messenger, the Prophet Muhammad (SAW)." Explain.

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## *Chapter 12*

# **MANAGING QUALITY AND EXCELLENCE**

These topics and sub-topics have been indicated in the beginning of the chapter for the quick reference and easy access by the readers. Beside this chapter which also begins with an introduction and ends with a summary, relevant questions and references are given to the end. The chapter discusses the following topics.

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## INTRODUCTION

Quality management can be defined as the “degree of excellence,” and with regards to organisations, it refers to the quality of services rendered or products offered to fellow humans: customers and final users. The pursuit of quality and customer satisfaction is admirable. But to achieve greater consonance with spiritual development, the pursuit of industrialisation must be accompanied by social and ecological concerns. Organisational development (OD) and human resource development (HRD) have their advantages as well as limitations. The two which are largely Western in spirit so far stop at existential or social conception of man, levels at which they are very effective. But they often fail to confront, the major issues of modern organisations. Major positive development in OD and HRD can be derived if the two approaches accommodate the spiritual dimension of man for quality and comprehensive development. Islamic wisdom vis-à-vis management approach can contribute much in this regard. The aim of managers to pursue managerial and organisational effectiveness should be coupled with their own spiritual development, which is unfortunately missing from our approach to quality and excellence in management.

Islamic wisdom is all for sustainable organisational development rather than the self-destructive exploitation and complacency in terms of value for quality variable in management. Thus, presently there is a need to study quality management from the Islamic perspective; however, the literature on quality management deals with several aspects. For instance, Weston (1995) surveyed 40 manufacturing companies in Colorado on the motivation of Total Quality Management (TQM) and its financial, market and managerial impact. He reported that the perceived benefits were mainly internal and efficiency oriented. Buttle (1996) reported on a major survey of ISO 9000 certified companies in U.K. which offers evidence of wide ranging benefits of ISO 9000 certification, and this correlated with the willingness to recommend certification to others. Similar findings also were reported by Lipovatz, Stenos & Vaka (1999) in Greece. Seddon (1996) reviewed several studies (including Buttle's study) of the positive impact of TQM and concluded that the findings were



merely opinions and had no objective basis for their conclusions. Williams (1997) reported on the type of measures the small and medium sized firms (SME) in UK utilized in monitoring the impact of TQM.

Mo and Chan (1997) in a survey of Australian SMEs found that most of the firms could not determine the cost of implementing TQM certification, a key requirement in evaluating the benefits. Skrabes Jr., Rhu-Nathan, Ral & Bhatt, (1997) reported on a University of Toledo survey of the anticipated and actual benefits of TQM. They concluded that most of the realized benefits were mainly system benefits, while market and productivity related benefits were subsidiary benefits. In contrast, Quazi and Padibjo's (1997) surveys of Singaporean SMEs reported mainly market-based benefits. Leung, Chan and Lee's (1999) surveys of Hong Kong firms showed mixed benefits (in relation to cost) but the informants were quality managers. Feng (1998) made a study of the Taiwanese managers who pointedly dismissed the claim that TQM can really boost the performance of their firms. Probably only one study by Elmuti and Kathawala (1997) provided some support for both productivity-related and quality of work outcomes. Lee and Palmer (1999) also found that manufacturing firms in New Zealand, which received TQM certification, experienced significant performance improvements. Tang and Kam's (1999) studies of Hong Kong engineering consultancies (quality managers were the informants) reported some benefits though much less than expected.

The above survey of empirical studies point towards the many anticipated benefits of TQM and its certification but few realized benefits. These benefits have been largely related to internal efficiency. Senior managers were always the key informants who reported most of these benefits, and no direct observation of the impact was discovered. The key informants, top management, as decision owners in matters of quality; are likely to report and /or exaggerate the benefits of TQM. Given this bias, an alternative assessment from an Islamic perspective based assessment is always a more reliable basis of benefit determination.

Hence, a study needs to be conducted on quality management from the Islamic perspective and an attempt in this direction was made



by the author (Khaliq *et al.*, 2003). This empirical study based on a sample survey was conducted to investigate Malaysian managers' and executives' perceptions of the implementation of ISO 9002 or an Islamic Standard (ISI 2020) in their respective organisations. The findings suggested that, the integration of these two quality systems, competing yet parallel systems would bring better results. Respondents positively supported the two quality systems in general. The alternate quality systems are applicable and have provided great benefits to their organisations. However, the level of correlation between ISO 9002 and the Islamic Standard was reported still low in 2003 in the opinion of practicing managers and executives. This could be due to the fact that the Islamic Standard itself was still new in Malaysia and had not promoted nationwide. Managers and executives, especially non-Muslims, were not familiar with this system yet. Hence, it was still very early to put forward the Islamic Standard as an alternative to the existing ISO 9002. Much needs to be done before we can use Islamic Standard as a viable alternative of conventional quality management.

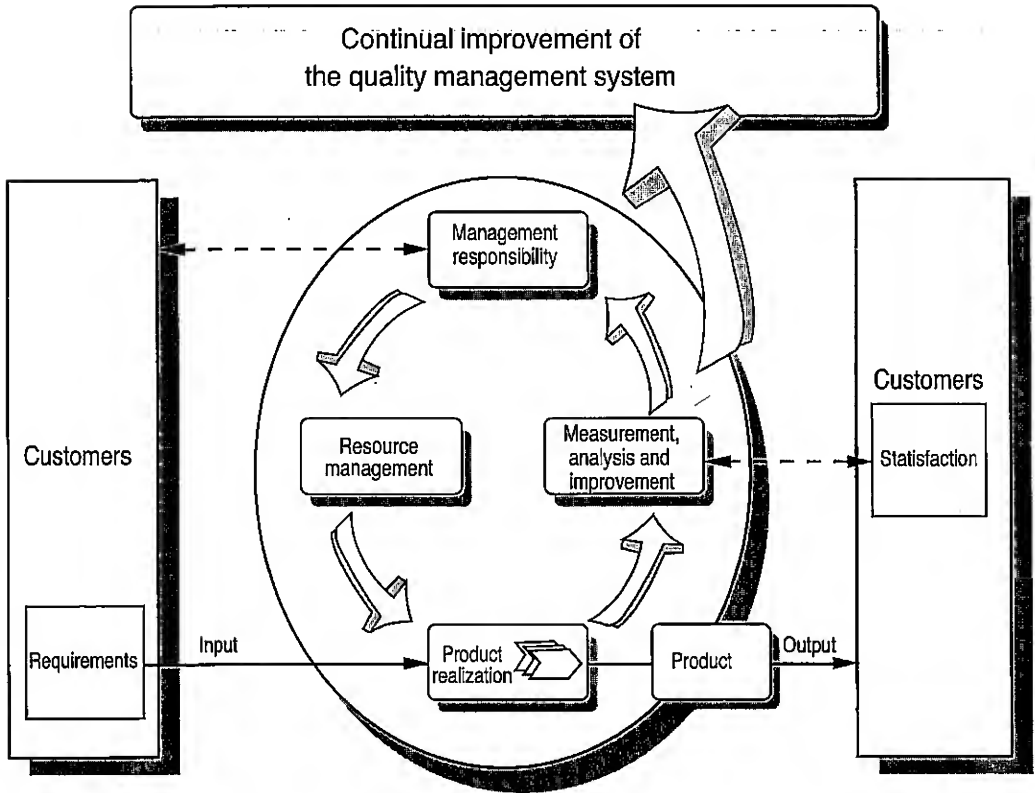
It clearly spells out that the concept and requirement of a quality management system must be properly understood and this depicted on Figure 12.1.

### QUALITY MANAGEMENT SYSTEM

Of late quality management has become a buzzword. Quality in managing overall organisational affairs turned to be a major concern of all management levels in the Japanese companies during the early eighties; and that gave competitive edge to them over Western organisations. This necessitated others to follow the concept and culture of Total Quality Management (TQM) principles and system for survival. The diagram given above explains the quality management system. Despite the conformity to the above quality management principles and system as the minimum requirements of the existing international standard, Islam has always encouraged for some extra miles – the best possible achievement. This is evident in a tradition, which says, “Allah loves those workers who perform their works to the best of their abilities” (narrated



**Figure 12.1** Source: *Adapted from ISO Literature*



**Key**

- Value-adding activities
- - -→ Information flow

by al-Baihaqi). Similarly, Muslims are always encouraged to perform extra ritual deeds (e.g., *sunnat* prayers, *sunnat* fasting and extra alimony) which are beyond the obligatory worships, thus improving more than the prescribed limit of quality for excellence in *Ibaadah*.



However, quality is not static. The expectation of customers changed over time as the result of the continuous improvement of their socio-economic standards. Therefore, it is imperative for an organisation to have a good quality management system, which not only lays down the principles of the best practices, but also warrants continuous assessment as well as mitigation measures.

However, the organisation has to ensure that the definition and measurement of quality used are consistent with the principles of Islam. Organisations should ensure that their processes and procedures do not violate the principles of Islam. For example, in the attempt to increase production, Islam places strong emphasis that Muslim workers are not deprived from performing their regular prayers on time. Similarly, Muslim employees should not be asked to perform tasks that are forbidden in Islam such as handling of pork-related products, etcetera.

Despite Islam's preference, which goes beyond the minimum requirement, organisations have to be realistic in their practice of the quality management system. The process of quality enhancement will involve cost. Too much additional costs will be beyond the ability of the organisation to absorb or too burdensome to be passed down to the customers. Therefore, moderation is the best possible approach and the Prophet's (SAW) approach was the best example of moderation in life. His mission was to upgrade the morality of mankind.

Islamic values are based on a number of factors and stand alone for its ethos and value system. Islamic values and morality have finality to them as they are based on Allah's message sent through the last messenger, Prophet Muhammad (SAW). The definition of morality from the Islamic perspective should be: "the personal behavior based on Islamic revealed knowledge." It should be defined as "the accepted norms of social behavior; such norms being based on the Islamic revealed knowledge."

Management experts mostly Western-based writers do not necessarily have expertise in understanding Muslims' social norms and value system. Muslims, social norms are defined on the basis of *shari'ah*. It is simply not possible for everyone to interpret *Fiqh* (a science of



Islamic jurisprudence). There are Muslim scholars who treat *Fiqh* as a source of revealed knowledge. It must be acknowledged that the primary revealed knowledge source is the Holy Qur'an. This basic source is elaborated through the Ahadith, the traditions and the *Sunnah*, the actions of the Prophet (SAW) and *Ijma'* including sources that are the reported sayings and actions of the first four Caliphs (r.a), instances from Islamic history, studies in Islamic administration/management, studies in Islamic social sciences, studies in Islamic culture, writings of leading Muslim scholars, and the writings of other than Muslims but leading and authentic scholars.

To avoid conflicting views and opinions of various scholars which is natural in defining any socio-cultural doctrine, Malaysian Fiqh Council (*Majlis Fatwa Kebangsaan* -MFK) which consists of many members from qualified scholars may define the norms of social behavior; such norms are based on the "revealed knowledge" but interpreted by competent authority. The appointment of the relevant council is only legitimate once endorsed by the respective state religious department in Malaysia.

## CERTIFICATION IN QUALITY MANAGEMENT

This is to certify that a minimum standard of expectation is fulfilled in terms of quantity and quality of performance. This also lays down procedures to do the documentations. Islam recognizes the importance of documentation in all activities of an organisation. In the Holy Qur'an, Allah (SWT) says, "*Nay, verily the record of the Righteous is (preserved) in 'Illiyyun. And what will explain to thee what 'Illiyyun is? (There is) a Register (fully) inscribed, To which bear witness those Nearest (to God).*" (al-Qur'an, 83: 18-21). This verse is evident that every deed (right and wrong) of man is recorded for the purpose of judgement in the hereafter.

Documentation of processes as well as procedures (manual) is deemed to be necessary in order to have consistencies in the quality of products and services. Once, Prophet Muhammad (SAW) was asked about the correct way to perform prayers. His answer was, "Pray the



way I do it.” This answer paved the way to setting a standard the Prophet’s own performance level, for a consistent way to perform prayers among Muslims.

Documents are important to elaborate on the quality management system, which are imperative in yielding products and services of high quality and standard. This fact is reckoned in Islam as mentioned by Sayyidina ‘Ali ibn Abi Talib, “A truth without a system will be defeated by a bogus but with a system.”

### ***COMMITMENT TO QUALITY AND CORPORATE GOVERNANCE***

Commitment is utmost important in the compliance of any policy and rule. Problems in corporate governance today lacks commitment by the parties involved. Overall, the organisation that is able to manage its stakeholders’ relationship is likely to gain greater success. In reality, companies are funded by shareholders, managed by the top management, and overseen by the board of directors. The relationship of these three groups is called corporate governance. A routine set of problems has been experienced in the corporate governance. The shareholders are often visualized as a group interested only in its narrow self-interest of earning money. The top management is often accused of unethical practices or mixing up corporate interest with personal interest. The board of directors is thought of as a group uninterested or ineffectual or both, in overseeing the affairs of the corporation. Thus, they leave everything to executives who are running the day-to-day corporate affairs.

Besides the above, another stakeholder is the costumer who needs quality products and services. The corporate management must also commit to provide quality to the customers, otherwise they will fail in the mission.

The root cause of a management failure in corporate governance is unfair and biased dealings with different types of stakeholders. Stakeholders’ mutual relationship management is difficult when there are unfair and biased dealings with the stakeholders. Management does not necessarily have to deprive one stakeholder in order to benefit another



stakeholder. Stakeholder relationship needs to be based on mutual trust, confidence and Islamic understanding. The Islamic way based on revealed knowledge sources is clear on the nature of human behaviour. Al-Qur'an provides extensive references to what is the right and wrong behavior. Right behavior is the key to just and fair treatment in the organisation. Furthermore, management must also do the following to manifest their commitment to quality and excellence.

The achievement of administrative efficiency does not depend solely on the choice of the most efficient policy to realize some goal but also on policy implementation. In turn, successful implementation or perfection in task performance relies not only on organisational structures, but also on whether or not policy implementers have properly communicated to employees for ensuring an inner commitment to efficiency at the workplace. Such a commitment is distillable from some Islamic values.

### ***MANAGEMENT VERSUS STAKEHOLDERS***

Top management should ensure that Muslim customers, if any as organisational stakeholders, should not be deceived by excessive promotions denying them the right to practice the Islamic code of life. In other words, they must meet the two criteria of serving God and satisfying man's material needs.

Organisational objectives are both economic and non-economic. Employees and customers as human beings are subservient to the larger purpose of human existence. Customer should have choice, free will and freedom of action, therefore, any violations of such rights including religious rights by organisation and irresponsible and non-accountable employees' actions is a serious matter and infringements of consumer rights. Hence, top management should encourage its employees to uphold organisation's quality policy. This may include complying with the requirements in the true sense of the letter as well as the spirit such as oath-taking to be service providers to customers.

Quality policy should not only involve the product quality but overall quality management. This does not merely involve supervision



and quality checks but employees' oath and pledge to quality procedure compliance. It may be added into the agenda of compliance audit and quality checks.

The guidelines to achieve above include areas or axioms of Islamic ethical philosophy which have to be inculcated among employees during the training programs of the organisation. The axioms are: (1) *Unity*: Concept of "Tawheed" which means the totality of integrated existence in and outside of the Universe. (2) *Equilibrium*: Concept of "*adl*" which means a sense of balance among the various facets of human life. (3) *Free will*: The ability of human beings to act without external coercion but within the limits set by Allah and as the vice regent of Allah on Earth. (4) *Responsibility*: The accountability of human beings for all their actions; and (5) *Benevolence*: Concept of "*Ihsan*" which means an action carried out by a human being without any expectations of return or reward but for benefiting others.

The two most important concepts of *al-tawheed* and *Allah's vicegerents* on earth provide the basic normative value framework for determining review process and the quest for the most efficient means to realize them. In other words, administrative efficiency is anchored in *at-tawheed* and *vicegerency*.

The ethical qualities of management behavior need to be operationalised in the actual functions of the management which are generally associated with eight mutually over-lapping managerial activities expressed in terms of planning, decision-making, direction, supervision, staffing and control, implementation, evaluation, and feedback. In an Islamic setting, managerial competence lies in integrating the two Islamic doctrines above with these managerial functions.

### **COMMITMENT MANAGING TO ORGANISATIONAL RESOURCES**

Islam emphasizes the optimal utilisation of resources that God (Allah) has endowed upon man and his physical environment. It also means the equitable use and distribution of these resources for the promotion of human relationships on the basis of *al-haqq* (Truth) and *al-adl* (the



equilibrium of Justice). All resources, including time resource, are from Allah as a gift to mankind and thus should be managed wisely on the basis of trust and *amaanah*. Islam dislikes and discourages members to waste their time and communication capabilities in useless argumentation with one another or with some ignorant and quarrelsome person outside the organisation. Islam enjoins upon the statement that *he who gives up a controversial discussion on vain matters, for him there will be built a house in the lower section of paradise.*

These following tips must always be kept in mind by every member of an organisation for better management of God given resource;

- ❖ All resources come from Allah.
- ❖ Living resources are created in pairs for growth in number.
- ❖ Resources are created in a variety.
- ❖ Resources are to be shared with the needy.
- ❖ Resources are not meant to be hoarded.
- ❖ Resources are created in proper proportion and measure.
- ❖ Multiple usage of resources.
- ❖ Resources are created of which human beings have no knowledge.
- ❖ Resources are to be consumed and to be thanked for and appreciated as a gift from Allah.
- ❖ Usage of resources regulated by the divine laws.
- ❖ There are some forbidden resources or forbidden usage of some resources.
- ❖ No creation of Allah has exclusive right over resources.
- ❖ Resources have a finite life and will be destroyed at the command of Allah on the Day of Judgement.
- ❖ Human beings are likely to be greedy and to covet resources.
- ❖ The nature of resources is ephemeral.
- ❖ Resources are made desirable for human beings.
- ❖ Unethical acts to devour other's resources are illegal.

Administrative efficiency must be conceived in tandem with or alongside other fundamental Islamic values. In the administrative realm,



the most relevant of these values are distributive justice, human dignity and mutual respect, *shura*, environmental conservation, and public responsibility.

The focus of Islamic management of quality and excellence is man (human resource) and not profit maximisation. The well-being of men here means both the employer and the employees. Management thus entails the development of men and their physical and socio-cultural environment. As such, human attitudes, incentives, tastes and aspirations are as much policy variables as physical resources, capital, machine labor (technology), education, skill, organisations. It also emphasises maximum participation of the people at all levels of decision-making and implementation. It is based on the non-exploitative relationship between labour and capital representing employees and employers, respectively. The employee is expected to know what to do and how to do it, thus needing training.

Management should believe in the objectives of the organisation and be able to share them with everybody else. Moreover, managers should be able to plan, organise, and lead employees who in turn should also be committed to their responsibilities and capable of developing the organisation. Being the trustee, the managers should not abuse their knowledge or misuse power, position and privileges. Thus, a true Muslim manager should be utterly fair in the execution of management function. The employee is expected to do his job efficiently and honestly guided by the built-in-system of reward and punishment not only in *Duniya* but *Akhirah* also.

This means that all of the measurable effects of an action both immediate and ultimate, on all beings must be weighed by planners, administrators and managers to maximise benefits and minimize harm to the totality. For every atom's weight of good and every atoms weight of harm that has resulted from their actions will be weighed on the Day of Judgment, this is the guiding principles of al-Qur'an. Thus the maximum possible net benefit to the totality must be striven for.

The working environment is one in which it should be possible for all the people involved to build up their confidence and capacity to



contribute their best. This is indeed a very revolutionary concept in the sense that the authority can be challenged if the manager or the supervisor concerned is involved in management activities which are contrary to the principles of the Qur'an and the Sunnah. It implies that creative, constructive criticism and dissent are encouraged in the development of the Islamic organisations. It counts on very conducive and harmonious industrial relation. The pursuit of organisational efficiency is potentially detrimental sometimes to human dignity and respect. This is so because the exercise of authority, which is also indispensable to the achievement of an organisation's goals, is essentially coercive and alienates subordinates if not used rationally.

### ***QUALITY PRODUCT AND SERVICES AS AN OUTCOME OF QUALITY PROCESS***

Quality principles as described should be observed throughout the processes including product planning, production and distribution as well as promotion activities. Maintaining the *halal* processes should start from product planning encompassing the setting of product quality objectives, processes, resources, verification, validation, and monitoring from the Islamic perspectives. The organisation should identify *non-halal* elements at all levels or activities. Once it is proven to be *non-halal*, the product should be removed immediately.

Customer focus is inevitable in order for management to identify and provide documented specific and adequate documented information on product category for delivery and post-delivery activities in order to ensure the product chain is maintained according to Shariah principles. Furthermore, the organisation should offer value for money, convenience in use, keeping promises made, keeping the product quality, post delivery and after-sale service to maintain a high level of customer satisfaction. For example, there should be a separate section for storing *halal* and *non-halal* products for Muslim and non-Muslim customers respectively. A separate counter for payment of *non-halal* products should also be arranged.



In reviewing product requirements, the organisation should observe, identify and define in accordance with the *Shari'ah* principles to maintain the *halal* products and services. Previous contracts or requirements which are not compatible with the *Shari'ah* principles should be removed. The organisation should comply and adhere to the current *Shari'ah* principles in implementing them. Information of the product has to be true and valid and should be understood by customers. Inquiries, contracts and amendments should be transparent. Feedback has to be handled with the most appropriate and effective manner in order to satisfy customers.

The organisation should adhere to *Shari'ah* principles in designing product. Thus, it covers the process of product planning, development, till the end product. The designing intention of this clause of ISO 9001 is to ensure that the specifications of materials, processes, packaging, product and labeling arrived at through the development process, must meet the identified *halal* needs of Muslim customers. For example, any product design should not reflect insulting image of Islam. The Islamic management of organisation should perform verifications by test panels and form a specialised committee for *halal* verification on product design and development. For *halal* product design and development, verification activities may include physical, chemical, microbiological, systems and legislation. The final validation of the product should conform to the *halal* quality standards of the product as prescribed by the relevant authority. In the case of any non-*halal* practices detected by the relevant *halal* enforcement authority, the management should take necessary measures to rectify and indemnify the relevant stakeholders. This should be properly controlled and recorded.

The organisation should ensure that suppliers of all purchased product conforms to the *halal* criteria, products free from contamination, fulfills the safety and hygiene requirements for all materials used as inputs. This may include processes, maintenance, sub-contractors, testing facilities, transportation and warehouse, that are related to the purchasing processes.



The organisation should establish a process to verify that the purchased product meets the verification of *halal* requirements. The organisation should identify, control and remove any doubtful elements or non-*halal* contents in the production process or service provision. If the non-*halal* contents cannot be removed from the processes, the whole product should be rejected from the production system. The organisation should validate the processes for production and service provision to ensure that the *halal* requirements are met. Traceability is an important element for locating the source of problem if so occurred. Therefore, the organisation should establish a procedure for identification and traceability to remedy the problem of non-conformity of *halal* requirements.

Besides the core product, any additional elements which became part of the product should also conform to the *halal* requirements. For example any packaging material attached to the core product should be obtained from *halal* sources. It should equally apply to maintenance or upgrading, operation and storage, transportation by third parties, drawings, and any proprietary information.

### ***MEASUREMENT OF QUALITY STANDARD***

The survival of an organisation is partly determined by its ability to provide the best products to the customers. This requires an organisation to constantly making efforts to evaluate the quality of its product and take necessary improvement measures to rectify any nonconformity.

Continuous improvement is a basic requirement in Islam, which is evident in a hadith narrated by Bukhari and Muslim to this effects: "A successful man is whose today is better than yesterday, an unlucky one is whose today is worse than yesterday, and a deceived man is whose today is the same as yesterday."

Customers are the main reason for the existence of an organisation. It is the responsibility of an organisation to meet the requirements and expectations of the customers. This responsibility is evident in a hadith to this effects: "No one of you is a believer until he desires for his brother that which he desires for himself."



In a broader term, customer satisfaction refers to providing justice to the customers, that is, fair value for money. Islam does recognize the philosophy of fair value for money since a customer should receive what he or she expects. Fairness and justice are the main elements in achieving customer satisfaction. God entails mankind to be just in every undertaking which is: evident in the following verse: "O ye who believe! Stand out firmly for justice, as witnesses to God, even as against yourselves, or your parents, or your kin, and whether it be (against) rich or poor: for God can best protect both. Follow not the lusts (of your hearts), lest ye swerve, and if ye distort (justice) or decline to do justice, verily God is well-acquainted with all that ye do.." (Al-Qur'an, 2:135).

Providing a product, which does not conform to the requirement and expectation of the customers is actually an act of injustice to the customers. However, in line with the contemporary philosophy of customer relation, an organisation is also deemed to be responsible to fulfil the requirements of the relevant stakeholders, who should include employees, shareholders, creditors, finance providers, government, public, etcetera.

Auditing is the process of assessing the extent to which quality management system is implemented in an organisation. Through the process of auditing, an organisation will be in a better position to identify non-conformities in its product. This process is also a requirement in Islam which is evident in a verse in which Allah (SWT) says, "But those will prosper who purify themselves." (al-Qur'an, 87:14). It was also reported that Sayidina Umar al-Khattab says, "Assess yourself before you are being assessed."

An organisation should establish a mechanism that allows justice to prevail in the process of auditing and permits the usage of a fair benchmarking system which is consistent with the requirement of the *Shari'ah*.

The process of continuous improvement begins with the measurement of the product quality. The methods to be adopted should be able to measure both the qualitative and quantitative aspects of measurement. The process of measuring is not alien in Islam. It is evident



in many verses of the al-Qur'an. For example, Allah (SWT) says: "He set on the (earth), mountains standing firm, high above it, and bestowed blessings on the earth, and measure therein all things to give them nourishment in due proportion, in four days, in accordance with (the needs of) those who seek (sustenance)," (al-Qur'an, 41:10)

An organisation should establish a mechanism that allows:

- Quality measurement as an integral part of corporate strategy.
- Measurements and methodologies aligned with corporate culture based on Islamic values.
- Measurement systems to leave room for managerial judgement.
- Measurement systems to be constantly re-evaluated.

The process of controlling the detected non-conformity is intended to provide justice to the customers. This is evident in the al-Qur'an in which Allah (SWT) says: "O my people! Give full measure and full weight in justice, and wrong not people in respect of their goods. And do not evil in the earth, causing corruption," (al-Qur'an, 11:85).

An organisation should establish a procedure to control the product or equipment used in the production of non-*halal* products. Such items may require different procedure of control contrary to the *halal* products.

The organisational management from an Islamic perspective should establish a procedure to provide regular and relevant training for the employees. Basic skills alone will not take the organisation far. The employees need new knowledge to be able to participate in research and development (R&D) activities. Skill and knowledge enhancement programs will allow an organisation to develop special know-how in certain areas or to possess certain expertise in specific functional areas. With regards to this, Prophet Muhammad (SAW) is reported have said: "Whoever wishes for the world, he must have knowledge, whoever wishes for the Hereafter, he must have knowledge, whoever wishes for both, he must have knowledge."



Productive work culture and values among its citizens is necessary. Islam through the divine revelation provides an important law for man: “... *Verily never will God change the condition of a people until they change it themselves with their own souls.....*” (al-Qur’an, 13:11). This is the first step towards a sustainable improvement. The organisation should establish a mechanism to inculcate Islamic work values such as trustworthiness, sincerity, accountability, dedication, gratefulness, consistency, discipline, cooperation, justice, etcetera, among its citizen. There should also be evidence that the abovementioned measures should be linked to financial and non-financial incentives.

As the concept of quality is not static, an organisation should always endeavour into improving the quality of their products. This requirement is evident in a hadith narrated by Muslim: “Ask Allah to help you and do not feel incapable, for nothing is impossible.”

### SUMMARY

Quality management can be defined as the “degree of excellence” and with regards to organisations, it refers to the quality of services rendered or products offered to users. Islam recognises the importance of documentation in all activities of an organisation. Companies are funded by shareholders, managed by the top management, and overseen by the board of directors, but corporate governance is always an issue of concerns of many. Islam offers an amicable solution to this.

Islam emphasises the optimal utilisation of resources that Allah has endowed upon man and his physical environment. It also means the equitable use and distribution of these resources for the promotion of human relationships on the basis of *al-haqq* (truth) and *al-adl* (the equilibrium of Justice). The ethical qualities of management behaviour need to be streamlined in the actual functions of the management which are generally associated with eight mutually overlapping managerial activities expressed in terms of planning, decision-making, direction, supervision, staffing and control, implementation, evaluation and feedback. Quality principles from an Islamic perspective, as described, should be



observed throughout the process including product planning, production and distribution as well as promotion activities.

The survival of an organisation is partly determined by its ability to provide the best products to the customers. This requires an organisation to constantly make efforts to evaluate the quality of its products and take necessary improvement measures to rectify any nonconformity.

### QUESTIONS

1. Discuss and define the main issues of Islamic Management. Also describe quality management from the Islamic perspective.
2. Quality is always looking forward to continuous improvement, and a hadith says “your today must be better than yesterday.” How do you compare and contrast this?
3. Quality products and services are an outcome of a quality process. Discuss and comment this statement from the Islamic perspective.
4. Why is it necessary that top management must have a commitment to quality management? If it is not committed, what are the likely problems that an organisation will face?
5. Comment and construct the quality measurement tools for quality audit and compliance in the Islamic perspective?
6. Is quality management necessary in Islam? What are the necessary steps or elements in managing quality in a Muslim organisation?
7. Is certification of quality important? Define the process of quality management in Islam and show a diagrammatic presentation of the whole process.
8. Suggest improvements in the overall quality management from an Islamic perspective.



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